Daily Report

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CONTENTS

NOTICE TO READERS: An • indicates material not disseminated in electronic form.

ALBANIA

Party Leaders To Mediate Oil Workers Strike *[ATA]* 1
Warning of 'National Calamity' *[ATA]* 1
Court Declares Strike Illegal *[ATA]* 1
Cabinet Discusses Bills, Approves Tourism Law *[ATA]* 1

BULGARIA

Berov Presents Government Program to Assembly *[Sofia Radio]* 2
Assembly Elects Berov as Prime Minister *[Sofia Radio]* 4
Berov Names Cabinet Members *[Sofia Radio]* 4
Berov Views Parliamentary Support *[Sofia Radio]* 5
Assembly Approves Cabinet Slate *[Sofia Radio]* 6
Biographical Sketches of Cabinet Members *[BTA]* 6
DPS Spokesman on Cabinet Talks, Elections *[24 CHASA 23 Dec]* 7
SDS Deputy Views Party's 'Difficult Days' *[DEMOKRATSIYA 24 Dec]* 8
Editorial Blames SDS for Sabotaging Talks *[PRAVA I SVOBODI 25 Dec]* 8
Andrey Lukanov Released From Detention *[BTA]* 9
Ganev Returns From Moscow, Rejects Criticism *[BTA]* 9
Military Cooperation Pacts With Ukraine Signed *[BULGARSKA ARMIYA 23 Dec]* 10

CZECHOSLOVAKIA

Federal Security Blamed for Consulate Bugging *[Bratislava TV]* 11
Iraq to Recognize Czech, Slovak Republics 1 Jan *[Prague Radio]* 11
Republics To Begin Diplomatic Relations on 1 Jan *[Prague Radio]* 11
New Czech, Slovak Customs Rules To Be Introduced *[CTK]* 11
Exchange of Ambassadors, New Embassies Discussed *[CTK]* 11
Slovak Parliament Issues Statement on Independence *[Bratislava TV]* 12
Czech Parliament Adopts Procedure Law Amendment *[CTK]* 12
Opposition Deputies Leave Assembly in Protest *[Prague Radio]* 12
Polarization in Moravian Movement Analyzed *[CTK]* 13
Klaus Describes Czech Economy as 'Healthy' *[Prague Radio]* 13
Gasoline Prices in Slovakia To Rise on 1 January *[Bratislava TV]* 13

HUNGARY

Antall Views Relations With Germany *[Berlin ADN]* 14
Foreign Minister Views Regional Problems *[UJ MAGYARORSZAG 24 Dec]* 14
Prime Minister Antall Takes Stock MidTerm *[UJ MAGYARORSZAG 24 Dec]* 16
Goncz on Social Reality, Political Discontent *[NEPSZAVA 24 Dec]* 17
Parliament Approves 1993 Social Security Budget *[MTI]* 18
Finance Minister Urges Releasing TV Funds *[Budapest Radio]* 18

POLAND

Ministry To Recognize Czech, Slovak Republics *[PAP]* 20
Arab Envoys Ask Support for Deported Palestinians *[PAP]* 20
Ratification Documents Exchanged With Ukraine *[PAP]* 20
Skubiszewski Pays Official Visit to Ukraine *[Kiev TV, etc]* 20
Polish Sejm Marshal on Improvement of Relations *[Vilnius ELTA NEWS BULLETIN]* 20

Relations With Neighboring Nations Reviewed *[PAP]* 21
Skubiszewski on Balkan Crisis, EC, NATO *[Brussels LA LIBRE BELGIQUE 22 Dec]* 21
Government, Striking Miners Reach Agreement *[PAP]* 23
Government Bans Coal Exports From 1 Jan *[Warsaw Radio]* 23
Popieluszko Murder Case Trial Adjourned *[PAP]* 23
Press Market Developing Rapidly in Poland *[PAP]* 23
Price Hikes in Gas, Electricity Announced *[PAP]* 23

ROMANIA

Spokesman Discusses Tudjman's Claims on FRY Involvement *[Bucharest Radio]* 24
Ministry Denies Fuels Passing Through FRY *[Bucharest Radio]* 24
State Minister Negritoiu Discusses Reform Goals *[ADEVARUL 28 Dec]* 24
Government, Trade Union Wage Consultations Resume *[ROMPRES]* 25

BOSNIA-HERCEGOVINA

Butrus-Ghali Arrives in Sarajevo for Talks *[Sarajevo Radio]* 26
Meets Bosnian Officials *[Zagreb Radio]* 26
'Fierce Battles' Waged Around Sarajevo *[TANJUG]* 26
Bosnian Serbs Claim Muslim Attack Repulsed *[TANJUG]* 26
Fighting Continues Around Bratunac *[TANJUG]* 27
Daily Flights by Enemy Helicopters Reported *[Sarajevo Radio]* 27
Serbs Deny Air Activity *[TANJUG]* 27
Water, Electricity To Be Restored to Sarajevo *[Zagreb Radio]* 28
Karadzic Outlines Serbian Demands *[Belgrade TV]* 28
Karadzic Takes Issue With Serb NonInvitation *[TANJUG]* 30
Prime Minister's Message Envisages Liberation *[Sarajevo Radio]* 30
Serbs Reportedly Mobilizing 'High School Children' *[Sarajevo Radio]* 31
Mostar: From 'Mixed Marriages' to 'Mixed Graves' *[BORBA 2 Dec]* 31
Bosnia Serb Leaders Leaving Serbia *[SLOBODNA DALMACIJA 23 Dec]* 32

CROATIA

Butrus-Ghali, Vance Leave Split for Sarajevo *[Zagreb Radio]* 34
More Bosnian Refugees Arrive in Zagreb *[Zagreb Radio]* 34
Government Endorses Stabilization Program *[Zagreb Radio]* 34
Drafter of Croatian Constitution Interviewed *[NOVI VJESNIK 22 Dec]* 34

SLOVENIA

Foreign Minister Speaks at CSCE Meeting *[DELO 15 Dec]* 36
Slovene Delegate Views Yugoslav Succession Talks *[DNEVNIK 3 Dec]* 36

YUGOSLAVIA

Federal

Panic Calls Ouster 'Shameless' Act *[TANJUG]* 39
Panic To Remain Until Cosic Names Successor *[Belgrade Radio]* 40
General Says Intervention Would Escalate War *[Belgrade Radio]* 41
Army Chief Comments on Kosovo, Intervention *[TANJUG]* 42
Djukic: Belgrade Against Foreign Intervention *[TANJUG]* 42
Foreign Minister on Solving Crisis *[POLITIKA 14 Dec]* 43
Cosic Addresses Army on Patriotism *[VOJSKA 10 Dec]* 45
Cosic Visits With 1st Army Commander *[VOJSKA 10 Dec]* 46
Political Overtones of Collegium Communique *[NIN 11 Dec]* 48
Conflict Between Collegium, Army General Staff *[NIN 11 Dec]* 49
Sanctions Destroying Large Companies *[POLITIKA 17 Dec]* 50

Serbia

Owen Discusses Peace Efforts With Milosevic *[TANJUG]* 52
Meets with Karadzic *[Belgrade Radio]* 52
Seselj Says Intervention Would Be 'New Vietnam' *[TANJUG]* 52
Commentary Assesses Radicals' Electoral Victory *[BORBA 23 Dec]* 53
Jovanovic Condemns Bush Treatment of Milosevic *[TANJUG]* 53
Finance Minister on Impact of Sanctions *[DNEVNIK 13 Dec]* 54

Montenegro

DPS Demands Montenegrin Federal Premier *[TANJUG]* 56
Montenegro Interior Minister Interviewed *[POBJEDA 22 Nov]* 57

Kosovo

Rugova Denies Planning of 'Terroristic Acts' *[ATA]* 59

Party Leaders To Mediate Oil Workers Strike

AU2912140092 Tirana ATA in English 1101 GMT 29 Dec 92

[Text] Tirana, December 29 (ATA)—The Press and Information Office of the Democratic Party reports that Mr. Tomor Dosti and Arben Lika went to the oil processing combine of Ballsh to contact the enterprise's administration and the striking working people.

The meeting with the administration of the enterprise pointed to the fact that the strike is unlawful and that the demands that were possible to be realized are already met. There are still some demands, which have to do with laws on a republic scale.

Following this meeting, Tomor Dosti and Arben Lika contacted with the general department of Albpetrol, and exchanged views on the solution of the workers' demands. They also met with representatives of the oil independent trade union and of the striking commission. The latter complained that the enterprise and ministries have not engaged themselves in realizing the workers' demands. The representatives of the Democratic Party said that it is not the proper moment to ask the democratic government to solve dozens years long problems within such a short period of time. They demanded that they halt the strike, which is causing great harm to the state, in order not to make it necessary for the government to adopt strict measures.

Warning of 'National Calamity'

AU2912140192 Tirana ATA in English 1258 GMT 29 Dec 92

[Text] Tirana, December 29 (ATA)—"The continuation of the strike in the intensive oil processing plant in Ballsh may lead to the exhaustion of oil wells and this may be considered a national calamity, as it would take some months to normalize them," the deputy minister of industry, mining, and energy resources, Bujar Nepravishta told the ATA correspondant.

Ballsh, the biggest industrial center, practically the only oil processing one, with a capacity of 1 million tons a year, has not been working for several days now because of the strike staged by the overwhelming majority of its workers. On Saturday [26 December], the government appealed to the strikers' commission to resume work, valuing righteous a part of the workers' demands and which can be solved. It did not agree with the way of staging the strike and the blackmail to attain them, which "is very extreme and does harm to all," Mr. Nepravishta said. He also added that "it is not a question of maintaining a severe stand towards the strike, but the trade unionists should show themselves more reasonable. The political parties, trade unions and the administration of the plant do not support this strike."

Court Declares Strike Illegal

AU3012191892 Tirana ATA in English 1126 GMT 30 Dec 92

[Text] Tirana, December 30 (ATA)—The Court of Mallakaster District declared illicit the strike staged by the Trade Unions of the Intensive Oil Processing Plant in Ballsh as it does not observe the Articles 4, 7, and 9 of the Decree No. 7458 on the rights of strike.

Cabinet Discusses Bills, Approves Tourism Law

AU3012191292 Tirana ATA in English 0919 GMT 30 Dec 92

[Text] Tirana, December 30 (ATA)—On December 29, the Council of Ministers convened. It was chaired by Premier Meksi and discussed the draft law on foundations. It also discussed the draft decree on social support for those who remain jobless due to the application of the economic reform.

The meeting discussed the draft decision for an supplement to the decision of the Council of Ministers for keeping state secrecy. Upon the proposal of the Ministry of Public Order, the government endorsed January 13 the day of the creation of the order forces. On the proposal of the Ministry of Agriculture and Food, the Council of Ministers endorsed the creation of the plants' protection institute and fishing research institute, relying on the research-scientific stations of the kind in districts.

The Ministry of Finance and Economy submitted a draft decision for clearing up the debts of the state enterprises, which is intended to unfreeze these enterprises and which may put into motion the new system of market economy. There was also forwarded another draft decision on some changes to the payment system, which increases the responsibility of the state administration in taking action for selling commodities. In the end of the meeting the Council of Ministers also endorsed the law on the development of tourism in the priority areas.

Berov Presents Government Program to Assembly

AU3012130992 Sofia Khorizont Radio Network in Bulgarian 1008 GMT 30 Dec 92

[Statement by Professor Lyuben Berov, candidate for prime minister, at the 30 December National Assembly session in Sofia—live]

[Text] Esteemed Mr. Chairman, Ladies and Gentlemen, People's Representatives:

Please, do not be alarmed by my voice. I am not trying to emulate President-elect Clinton, who several days ago had the same kind of voice when he presented his cabinet. He even whispered. I, at least, will not whisper. Please, accept this as a small joke at this dramatic moment.

In its declaration of its program, the cabinet states that it will strive to lead the country out of this political crisis marked by such profound confrontation, and thus avoid the necessity for out-of-term elections at an unsuitable time.

The cabinet sees the continuation and strengthening of the reforms in the spirit of democracy and the market economy as its basic task. We clearly understand this grave moment for our country and people. We are determined to assume our responsibility.

The exceptionally dangerous military-political situation, the continuing decline in production, unemployment, and many other unfavorable factors convince us that only a strong and competent government, subjugated to national interests rather than to party discipline of any kind, and relying on the support of all adherents to the reform aimed at changing the system, could lead to success. We have decided to be such a government and conduct such a policy.

In the future, the government will be guided by the philosophy of continuity. It will not fundamentally revise the legal basis of the reform that has been adopted. It will continue to cooperate with the IMF and World Bank with a view to ensuring the necessary credits for structural reform, stabilizing payments, and increasing the foreign currency reserves. We will strive to conclude an acceptable agreement rapidly with the creditor banks to settle the foreign debt in accordance with the mandate given by the National Assembly. This will guarantee our access to international financial markets and increase the interest of foreign investors in Bulgaria.

Simultaneously, the government will have new priorities related to the necessity of advancing toward the structural stage of the reform. If the previous government was to a large degree a government of restitution, our government views itself primarily as a government of privatization, which will be guided by a clear policy. The change in ownership, as the only guarantee of changing the system, will be our essential task. Within one month of its formation, the cabinet will prepare a detailed and specific economic plan on activities involving various departments in 1993. As soon as possible it will adopt urgent measures on painlessly coping with the winter season.

Our declaration of our program points out the fundamental position of the government on certain basic—more or less disputable—socioeconomic and political problems which the nation faces. We cannot hide any longer from those problems and postpone their solution. The first involves our balance of payments due to the sharp reduction in trade, particularly in our exports. After the disintegration of the unstable CEMA market, we must acquire a new place in foreign markets through production of cheaper and better quality products and the ability to find open niches in the world market.

In order to achieve this, it is necessary to increase the competitiveness of our goods through an active export policy, tax relief, and suitable joint ventures. This will also include measures aimed at simplifying foreign trade formalities, preserving the traditional Bulgarian markets, conducting a moderate protectionist policy which does not contradict our association with the EC and GATT standards, stimulating investment and structural clarity, and restructuring our industries with a view to increasing their ability to export by ensuring credits from the state budget and creating a system of state guarantees for investment loans.

Unemployment is the second major problem. The government intends to arrest it by adjusting the budgets of production enterprises which produce goods for export and through major construction projects. Generally, it is better to invest in such enterprises which increase the social product rather than to distribute unemployment benefit payments.

The government will make maximum efforts to truly organize alternative employment for the personnel of state companies and their enterprises which will be closed due to the restructuring. Special attention will be given to eliminating unemployment among young people and women. It is necessary to monitor more closely and reduce the number of people receiving unemployment benefits despite having income from rents, private enterprises, and other sources.

Taming inflation, which has recently intensified, is a matter of exceptional importance. In this sphere, the government will rely on a restrictive monetary policy on the part of the Bulgarian National Bank on anything related to allocating credits and managing the financing. The government will act to diminish the inflationary effect of the budget deficit by diversifying the instruments of domestic financing and seeking possibilities of external financing.

However, ensuring tolerable limits for the deficit is impossible if the so much desired decrease in the tax burden is effected, and if the broadly accepted practice of avoiding the taxes continues. It is impossible for everyone to ask the state to provide finances for their various goals, while paying less or no tax at all. The

government will improve the organization of the tax administration, will increase its strictness, and raise the penalties and sentences when the tax laws are violated. This is how the developed countries cope with this problem.

The alarming increase in the crime rate is another major national problem. The government believes in the principle of democracy and humanity in relations among people. It will insist on tightening discipline in the prisons, and creating special prisons and other similar facilities for convicts who represent a greater danger to society. It is necessary to correct the Police Law and toughen the sanctions in the penal code. The government will continue to aim to return prisoners to society, but dangerous crime cannot be eliminated through lenience and preaching.

The size of the police personnel will be increased and their equipment improved to facilitate the protection of law and order. Every society represents a complex mixture of unequal interests of various individuals, professions, social strata, parties, and other mass organizations, which nevertheless must exist together. Finding the necessary prudent and compromise solutions to this situation must not be a task for the executive and legislating powers alone. To decrease social tension, it is necessary to have a constructive institution to coordinate the interests of the basic social groups. This should be a tripartite commission, which should also take into consideration the interests of the agrarians. Representatives of the state should participate in the commission. One representative of each of the two principal trade unions will be observers at cabinet meetings which directly affect the trade unions.

The state of our Armed Forces is another major national problem. We cannot ignore by our silence many painful issues in this sphere. Especially so since near our country a military fire is raging. The government will view as one of its priorities improving the material-technical supply and weapons of the Army as well as its organization and combat readiness and increasing the authority of Bulgarian officers.

We cannot ignore the wages of state and municipal employees. This is another major problem. The average monthly wage of state employees lags very much behind wages in the private sector. Because of this and despite the significant unemployment, the government finds it ever more difficult to find suitable candidates for employment. This hinders the quality of many departments in the social sphere. This also leads to the alienation and degradation of a large part of our intelligentsia. The government thinks that it is prudent to introduce indexation of state employees' wages and to link them to the level of inflation and the level of the drop in material production, based on the year 1989.

We cannot keep our our eyes closed to the situation of pensioners and disabled people any longer. The real average pension has decreased by more than a half. There has been an almost Bolshevik tendency to equalize almost all pensions and turn them into a social benefit of sorts. It is illogical to ask only pensioners and state employees to make sacrifices in the name of a monetary anti-inflation policy, when many others hide their income and do not pay taxes. The government thinks that the level of the average pension must be subject to indexation as in the case of state employees. This is an elementary care for social peace.

Another urgent problem is the need to adopt a fundamental decision for or against protectionism in the various economic sectors. Many industrial enterprises, along with the agricultural ones, are demanding a halt to competition caused by imports through higher customs duty for certain goods or groups of goods. The government will support reasonable demands for moderate protectionism through customs duty and other restrictions within the limits of what is allowed under the terms of our association with the EC. These are temporary measures until some of our enterprises adapt to the requirements of the new international market.

There are some demands for an expansion of the social support for privatization. This is another topical problem. In this area the government will act to remove the normative, administrative, and organizational obstacles which prevent the initiation and rapid development of privatization, and to stimulate the initiative of the enterprises themselves to participate in privatization.

The government will act to develop a legal basis for expanding the chances of employees to participate in privatization.

A fund will be created for the differential crediting of the participants in privatization. The processes of privatization and the restitution of industrial property will be synchronized so as to prevent the investment process from being blocked.

The government declares the following additional priorities for its attention:

First—it will categorically support peace in the Balkans and internationally, declaring that it will by no means involve Bulgaria in any military conflict in the Balkans unless Bulgaria is attacked;

Second—it will maintain a policy of cooperation with all democratic states and with international organizations, implementing all commitments by former governments.

Third—it will accelerate land reform as much as possible until about 50 percent of the land is returned. Those farmers who have little or no land will receive land from plots owned by the state. We expect to accomplish this by the end of 1993. By March 1993 the activities of the liquidation councils will be concluded and the judicial obstacles for registering new and democratic agrarian cooperatives will be removed.

Fourth—the government will support and stimulate private enterprise, particularly in production.

Fifth—the government will support and facilitate the formation of a new sector of private agricultural producers, including simplifying the process of obtaining documents on land ownership and through allocating credits at interest rates lower than what is available in the financial market.

Sixth—the government will declare agriculture, tourism, light industry, and some branches of machinery production and the chemical industry as priority areas.

Seventh—the government will urge the National Assembly to quickly adopt an additional package of laws aimed at accelerating the structural reform, including the law on private business, a law on intellectual property, a law on [word indistinct], and laws on protecting the consumer interests, managing the state capital in the trade associations, and so forth.

Eighth—the government will prepare a plan on further reorganizing the debts of state property trade enterprises to the banks.

Ninth—The government will sharply limit further changes in the leadership of state companies. Such changes will be allowed only in cases of obvious failures. Dismissals or hiring on the basis of purely political considerations will be stopped.

Tenth—the independence of the judiciary vis-a-vis the executive, incorporated in the Constitution, will be fully implemented.

Eleventh—there will be a reorientation from the excessive concentration of power in the hands of the state toward supporting local initiatives.

Twelfth—the government will prepare and introduce in the National Assembly a state budget, reflecting expenditures by departments and functions, as was the practice before 1944.

Thirteenth—after the proper legal preparation, reform in health protection will be implemented.

Fourteenth—bills concerning social security and the security funds will be submitted to the National Assembly.

Fifteenth—a special ministry on education, science, and culture will be established. It will preserve and expand the commitment toward the cultural spheres which enjoy popular recognition.

Sixteenth—the government is aware of the need to maintain stability in government and has confidence in the present leaderships of the existing committees.

Seventeenth—the government will expand the prerogatives of the Agency on Economic Coordination—this will be the new name of the agency—which will have to issue recommendations on economic policy, improving the organization of state property management.

Eighteenth—the government move to increase parliamentary control over the executive through attendance at cabinet meetings by one representative-observer of each of the three parliamentary groups.

Nineteenth—the government will not allow demonstrations of nationalism or attempts to manipulate and Turkicize the population in mixed ethnic-religious regions.

Twentieth—the government will try to end the internal struggle in the Bulgarian Orthodox Church, which undermines its authority.

Thank you for your attention.

Assembly Elects Berov as Prime Minister

AU3012160692 Sofia Khorizont Radio Network in Bulgarian 1527 GMT 30 Dec 92

[Announcement by chairman of commission supervising ballot on Berov's candidacy for prime minister, in National Assembly in Sofia—live]

[Text] A commission consisting of Khristo Markov, Ruslan Semerdzhiev, Mariela Miteva, Kiril Zhelev, and Remzi Osman announces the results of the ballot as follows:

Total number of National Assembly deputies who cast their votes: 149.

Number of ballot papers on which the candidate's name was not struck out: 124. [applause]

Number of ballot papers on which the candidate's name was crossed out: 25.

Number of empty envelopes: None.

On the basis of the result of the secret ballot, the National Assembly, under Article 84, Paragraph 6, with reference to Article 81, Paragraph 1 and 2, of the Constitution of the Republic of Bulgaria, and to Paragraph 4 of the additional provisions of the Regulations of the National Assembly, has decided as follows:

It elects Lyuben Borisov Berov as prime minister of the Republic of Bulgaria. [applause]

Berov Names Cabinet Members

AU3012165392 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 30 Dec 92

[Report by Nina Spasova]

[Text] About half an hour ago, the National Assembly elected Professor Lyuben Berov as prime minister by 124 votes for to 25 cast against.

Prior to the ballot, Zlatka Ruseva declared that the deputies of the SDS [Union of Democratic Forces] would not take part in the ballot. However, according to

unofficial information, 25 SDS deputies refused to abide by this decision and did in fact cast their votes.

After the official announcement of the result of the ballot, Prof. Lyuben Berov announced the membership of his cabinet as follows:

Deputy chairman of the Council of Ministers: Valentin Karabashev, who will also hold the post of minister of trade. Valentin Karabashev was born in 1960.

Second deputy chairman of the Council of Ministers: Neycho Neev, born in 1948. He will also act as interim minister of transport.

Third deputy chairman of the Council of Ministers: Evgeni Matinchev, born in 1939. He will also hold the post of minister of labor and social welfare.

Minister of environment: Valentin Bosevski, born in 1940.
Minister of industry: Rumen Bikov, born in 1958.
Minister of finance: Stoyan Aleksandrov, born in 1949.
Minister of defense: Valentin Aleksandrov, born in 1946.
Minister of internal affairs: Viktor Mikhaylov, born in 1944.
Minister of justice: Dr. Misho Vulchev, born in 1919.
Minister of territorial development and construction: Khristo (?Topev).
Minister of education, science, and culture: Professor Marin Todorov.
Minister of foreign affairs: Prof. Lyuben Berov will temporarily hold this post until Slavi Pashovski, our permanent UN representative, returns from New York.
Minister of agriculture: Georgi Tanev.
Minister of health: Dancho (?Gogulov).

The above is the composition of the cabinet. At the moment, the National Assembly deputies are again in recess for the holding of a secret ballot on the proposed cabinet.

Berov Views Parliamentary Support

AU3012175092 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 30 Dec 92

[Interview with newly elected Prime Minister Lyuben Berov by Nina Spasova in the National Assembly building in Sofia—live]

[Text] [Spasova] I have here with me in the parliamentary studio Professor Lyuben Berov, who has been kind enough to give his first interview for the Khorizont Program following his election as prime minister. Although it is dangerous to make predictions, do you believe that parliament will support your proposed cabinet, Professor Berov?

[Berov] Good evening to all our listeners. I apologize for my hoarse voice, which makes it difficult to understand me, but an attack of influenza tried to prevent me from fulfilling my functions, putting me in the same position as Clinton, who had to present his cabinet in the same way a few days ago.

[Spasova] Nevertheless, you expect your cabinet to be elected, I imagine?

[Berov] Yes, I expect the cabinet to be approved by the same majority with which I was elected as prime minister.

[Spasova] Prof. Berov, you said that you believe you have proposed a government that will be elected by the sensible people in the present parliament. Will your wish be realized?

[Berov] Yes, I think so. If the ban on voting for me had not been imposed [by the Union of Democratic Forces], threatening to excommunicate those members who voted for me, my majority might have been even greater, by about 40 votes. However, even this majority is sufficient for the moment. I am convinced that in the near future the image of the SDS [Union of Democratic Forces] will be renewed, and then a restructuring of the political scene in parliament will take place.

[Spasova] Do you believe that you will keep the ball for only three seconds, as a certain well-known deputy predicted in the National Assembly today, and that after this you will submit your resignation, leaving the SDS [Union of Democratic Forces] to form another government?

[Berov] It is impossible for me to keep possession of the ball for only three seconds, because this period has already elapsed, unfortunately.

[Spasova] It was said metaphorically, you may have 100 days.

[Berov] Yes. As for passing the ball to someone else, I have no right to do this. In the event of me coming into conflict with parliament, if parliament passes a vote of no confidence in me, I will have no alternative but to resign, and parliament will have to decide whom to elect tomorrow.

[Spasova] Perhaps the most important question is, on whom do you think you will rely from now on, because no clearly determined parliamentary majority exists through which the cabinet can have its decisions adopted?

[Berov] We clearly stated in our program declaration that this is a government composed of people who are not bound by any idea of party discipline. I do not work with the political parties, I work with people who have a conscience, people hold the conviction that the interests of the country at the moment stand higher than their own group or personal interests.

[Spasova] I wish you success.

Assembly Approves Cabinet Slate

AU3012195492 Sofia Khorizont Radio Network in Bulgarian 1858 GMT 30 Dec 92

[Official announcement read by Deputy Ruslan Semerdzhiev in National Assembly in Sofia—live; all figures as heard]

[Excerpt] Today, 30 December 1992, the National Assembly held a secret ballot to elect a Council of Ministers of the Republic of Bulgaria. A commission consisting of Khristo Markov, Ruslan Semerdzhiev, Mariela Miteva, Kiril Zhelev, and Remzi Osman declares the results of the ballot to be as follows:

Total number of National Assembly deputies who cast their votes: 151.

Number of ballot papers on which the the names of all candidates were crossed out: 17.

Number of invalid ballot papers: 7, of which none were torn and six ballot papers were incomplete.

Number of empty envelopes: 2.

Number of ballot papers on which the candidates' names were not crossed out: 127. [applause]

On the basis of the result of the secret ballot, the National Assembly, under Article 84, Paragraph 6, with reference to Article 81, Paragraph 1 and 2, of the Constitution of the Republic of Bulgaria, to Paragraph 4 of the additional provisions of the regulations of the National Assembly, and to the decision adopting procedural regulations for electing a Council of Ministers, as published in DURZHAVEN VESTNIK, has decided as follows:

It elects a Council of Ministers of the Republic of Bulgaria. [passage omitted]

Biographical Sketches of Cabinet Members

AU3012205992 Sofia BTA in English 1950 GMT 30 Dec 92

[Text] Sofia, December 30 (BTA)—Parliament voted, by 127 to 17, to approve the composition of the Council of Ministers proposed by Prime Minister Elect Lyuben Berov. The new cabinet will have three deputy prime ministers. The only structural change is a merger of the Ministry of Science and Culture with the Ministry of Education.

Prime Minister Lyuben Berov will perform the functions of a foreign minister for the time being. The nominee for the post, Mr. Slavi Pashovski, will take office after he returns from New York where he serves as permanent representative of Bulgaria to the United Nations.

Mr. Valentin Karabashev MP [member of parliament] of the Union of Democratic Forces (SDS) and chairman of the Privatization Subcommittee of the National Assembly Economic Committee, will be deputy prime minister and minister of trade. Mr. Karabashev, 32, is a qualified economist. The other deputy prime minister, Neycho Neev, 44, will be in charge of power engineering and, until the election of a minister of transport, will head that ministry, too. MP's opposed Prof. Berov's intention to keep former Transport Minister Aleksandur Aleksandrov, whose name is associated with several serious rail accidents, the worst of which claimed seven lives.

Mr. Evgeni Matinchev MP of the Movement for Rights and Freedoms (DPS) is the third deputy prime minister, in charge of social affairs. He will also head the Ministry of Labour and Social Welfare. Mr. Matinchev, 53, is a qualified economist. His nomination was contested by the Socialists because they insisted that the cabinet members should not represent political parties. Mr. Matinchev is not a DPS member, but Socialists say he is too involved with the movement's policy.

Rumen Bikov keeps the industry portfolio he received in Filip Dimitrov's government in May 1992. Mr. Bikov, 34, has been trained as an engineer. Mr. Bikov and Mr. Karabashev are members of the Alternative Social Liberal Party, which was expelled from the SDS a couple of days ago for advocating positions different from those of the coalition. The Socialists, however, did not oppose these two nominations despite their conditions for a non-partisan cabinet.

Stoyan Aleksandrov, so far chief of the Tax Administration of the Finance Ministry, will be minister of finance. Mr. Aleksandrov, 43, holds a university degree in finance.

The new minister of defence, Valentin Aleksandrov, was until recently state secretary at the Defence Ministry. For some time now he has been at odds with the SDS. Mr. Aleksandrov, 46, has graduated in law from Sofia University and from the Diplomatic Academy in Vienna, Austria. He is a civilian.

The Ministry of the Interior is headed by Colonel Viktor Mikhaylov, so far director of the National Police Force. Colonel Mikhaylov, 48, was in conflict with former Interior Minister Yordan Sokolov and declared himself against Mr. Sokolov's policy.

Mr. Misho Vulchev, so far chairman of the Statutory Instruments Drafting Committee with the Council of Ministers, is the new minister of justice. Mr. Vulchev, 48, [as received] holds a doctorate in commercial law.

The environment portfolio went to the previous Deputy Minister Valentin Bosevski. The new minister of construction is Khristo Totev, a qualified economist. Prof. Marin Todorov heads the ministry of education, science and culture. The Agriculture Ministry will be led by Georgi Tanev, D. Sc. (Agr.).

DPS Spokesman on Cabinet Talks, Elections

AU2912163992 Sofia 24 CHASA in Bulgarian 23 Dec 92 p 7

[Interview with Yunal Lyutfi, spokesman of the parliamentary group of the Rights and Freedoms Movement, DPS, by Venelina Gocheva; place and date not given: "Rights and Freedoms Movement May Not Join a Government of Experts"]

[Excerpts] [Gocheva] Mr. Lyutfi, since the SDS [Union of Democratic Forces] refuses to name its candidate for prime minister, will the DPS [Rights and Freedoms Movement] form a government of experts?

[Lyutfi] Every mature political force should keep its own alternative in reserve. During its three-year presence on the political stage, the DPS has proved that a political force is doomed to failure if it has no alternative in reserve. We always plan our game three moves in advance.

Our reserve alternative may indeed be the one that you mention, namely for a well-prepared expert such as Professor Lyuben Berov to form a government of experts. He is a democrat, and does not belong to any political party or extraparliamentary force.

[Gocheva] How will the cabinet be formed?

[Lyutfi] We will give whomever we nominate for prime minister candidate the right to choose his own team. We are an important political force and cannot allow ourselves to return the mandate to form a cabinet.

[Gocheva] How many ministers will the DPS want to have in this cabinet?

[Lyutfi] I believe that the DPS will consider very carefully whether it should ask for any ministerial posts at all in a government of experts.

[Gocheva] What policies will you want this government of experts to follow?

[Lyutfi] The same ones that we will ask every succeeding cabinet to carry out. First, we will want a program with a pronounced social accent. We must stop widening the gap between the very poor and the very rich, and provide social protection through appropriate financial and economic mechanisms. These have been precisely defined in our own program. We will propose formulas for halting inflation and, most important, to speed up privatization with a pronounced social element, especially in connection with land restitution. The restoration of property should be effected in such a way as to prevent the landless peasants and those holding little land from becoming mere peasants at the end of the 20th and beginning of the 21st centuries. They will receive their entitlements to land because they have worked it for 30 or 40 years.

[Gocheva] What if parliament rejects Lyuben Berov?

[Lyutfi] If his government is not accepted and if we propose no other draft cabinet, then all 240 deputies will assume the responsibility of forming a cabinet.

[Gocheva] Are you referring to elections?

[Lyutfi] Yes, elections arranged by a caretaker cabinet. [passage omitted]

[Gocheva] Mr. Lyutfi, have not certain SDS leaders already chosen the alternative of elections, because they are convinced that the DPS will not win any seats in the next parliament. How much of your electorate has left the country?

[Lyutfi] These calculations are false, dear madame, and they have not been verified. The fact that about 100,000 ethnic Turks have left for Turkey for economic reasons, mainly because of the unemployment in Bulgaria, will have absolutely no effect on the number of people who would vote for the DPS. I want to assure you that if elections are held we will win at least the same number of seats in parliament, if not more. No party is better prepared for elections than the DPS.

[Gocheva] Yes, but at the moment alternative parties to the DPS are being formed, whose leaders keep hinting at forming a coalition, for example with Savov's Democratic Party. It is true that Savov denies this, but do you admit that some SDS leaders are offering help in forming the Turkish Democratic Party?

[Lyutfi] I will not waste words. In my view, the parties being created by certain political forces that want to split the DPS electorate are mere phantoms. This is why we dismiss these attempts, which are being noisily publicized in the mass media, especially on Channel 1. We know that under the Constitution parties cannot be formed on an ethnic or religious basis. These gentlemen will never succeed in splitting the DPS. Quite the contrary, the authority of our movement, which follows consistent and sober policies, has also attracted many ethnic Bulgarians as members.

[Gocheva] The SDS criticizes you for not doing anything for your electorate.

[Lyutfi] We have not done anything yet for the very reason that, during the first four months of its term, parliament adopted laws that served as landmarks for effecting the transition—on the restitution of property, privatization, and the land. We did not want to enter into a conflict with our ally. However, through the intervention of some of our deputies, we succeeded in amending the parts of the Land Act that did not provide any upper limit for land restitution and did not provide any guarantees that landless peasants and persons holding little land would receive land grants. Subsequent experience has shown that even this law requires amendments, but not to its spirit, as some of our SDS colleagues accuse us of wanting.

[Gocheva] Will you revise the Land Act?

[Lyutfi] No, we will not revise any of the laws adopted so far but we will further improve them and supplement them if necessary.

[Gocheva] Edvin Sugarev recently declared that the SDS electorate does not want a coalition with the DPS. At the same time, certain SDS leaders mention with increasing frequency that the DPS was formed on an ethnic and religious basis, and they call you you Turks. Is not the SDS playing the nationalist card?

[Lyutfi] A political party or leader who relies on playing ethnic cards and possibly provoking a new wave of ethnic intolerance and confrontation is doomed to defeat. Second, and this is very important, these attempts will fail because the Bulgarian people have proved that our country cannot turn into a Bosnia-Hercegovina or Nagorno-Karabakh. Neither the ethnic Bulgarians nor the ethnic Turks will permit bloodshed. This is the great contribution that the DPS has made. [passage omitted]

SDS Deputy Views Party's 'Difficult Days'

AU3112084592 Sofia DEMOKRATSIYA in Bulgarian 24 Dec 92 p 1

[Commentary by Nikolay Slatinski, National Assembly deputy for the Union of Democratic Forces (SDS) and chairman of the Parliamentary National Security Commission: "National Interests Are the Only Critical Point"]

[Text] A time of troubles. Tempers are rising and it is becoming even more risky to be a politician. The ranks of the honest and true are thinning. A great deal of money, many sins, and many hastily built careers are hidden in the secret bank accounts. Although perhaps guided by good intentions, the RANO UTRO daily has further demoralized society, not only by the ease with which it inflicted spiritual sufferings on innocent people, but also through the suspicions about who was behind the false lists [of politicians and public figures who allegedly collaborated with the former State Security] that it published.

The SDS is living through difficult days. It seems that one cannot see any winning move in the short term, tactically speaking. We do not know what motives prompt the actions of the DPS [Rights and Freedoms Movement]. The blows that it dealt against us were quite unprincipled, and it is impossible to predict what unnatural actions this secretive organization will think of next.

However, the present parliament is an optimum one for the DPS both politically and ethnically. In the next parliament the DPS will be isolated, and its deputies' feelings of being superfluous will gradually lead to alienation and separatism among the DPS electorate.

During recent weeks, the National Assembly has indicated through some of its actions what parliament would look like after new elections, if there is an increase in the numbers of the fathers of the nation with a leftwing (sub)consciousness (which grants lavish aid to anyone who thinks of asking for it), regarding the energy industry, the defense complex, the tobacco industry, crop sowing, and so forth.... Instead of a restructuring of the economy, a redistribution of funds is starting. Nevertheless, before this National Assembly reaches a possibly ridiculous end, we must realize that in politics it is necessary to reach compromises, hold negotiations, and find a common language. In the mathematics of parliament there is one critical figure—121 [minimum votes needed to win a vote]. If we fail to reach this figure, we will always have to make concessions, concessions that are measured in ministerial posts given up and adjustments in tactics during the implementation of our goals and program.

National interests are the only field in which compromises cannot be made. As the only force that makes our country legitimate in the eyes of the international public, the SDS has the moral right to declare that it is a complete delusion to impose any other political line. Our partners must share our basic intentions and principles.

Let us not forget that the people voted not so much for the SDS parliamentary group and National Coordinating Council as for the SDS as a whole—for these principles, goals, and program. A political force in which the leadership wages war against its National Assembly deputies, or in which the deputies wage war against the leadership, will suffer great and bitter tribulations.

The decisions that we adopt are becoming increasingly important. We are morally obliged to find mechanisms to clarify who our members are, which of them collaborated with the former regime, which of them broke the laws, stirring the stew with a big spoon and secretly laughing at the naive electorate that is still prepared to work unselfishly for the cause. I am not prepared to work alongside suspect, insincere, and dishonorable people.

At an international meeting that I attended I was suddenly convinced that the elections in Lithuania were indeed won by the former communists—it was enough for me to cast a glance at their delegation. Surely the same thing will not happen in Bulgaria? I realize that not everything depends on us, but we must show our political will, and we must defend our positions in the name of our fragile democracy, won by all of us with so much suffering.

Editorial Blames SDS for Sabotaging Talks

AU3012150192 Sofia PRAVA I SVOBODI in Bulgarian No 52, 25 Dec 92 p 1

[Editorial: "Who Is Spoiling the Good Atmosphere"]

[Text] Following the national conference of the SDS [Union of Democratic Forces] last week, it became clear that local SDS structures, ministers, and political leaderships of the SDS parties advocate adopting a more

diplomatic attitude toward the DPS [Rights and Freedoms Movement] and, furthermore, support a coalition cabinet. This was reflected in a resolution adopted on the same day [13 December]. It was decided that if the DPS invites the government to form a government on the DPS mandate, negotiations should be opened on forming such a government. After reviewing the results of the questionnaire, it became clear that about 75 percent of the members of the local SDS coordinating councils throughout the country want negotiations with the DPS.

The following Tuesday [15 December], after the president had issued a decree granting the SDS a mandate to form a cabinet, it emerged that the DPS would not form a one-party government and that the coalition government with the SDS should be guided by a program that unifies all the people. It also became known that it was necessary to seek a compromise between preferences and reality. On the very same day, as a result of statements made by certain hard- line SDS leaders, the familiar divisions started to form in the form of different policy lines and preferences. The view of the local SDS structures proved to carry little importance or weight, as positions were already hardening.

On 16 December, the DPS started consultations with the SDS, and later also began talks with various extraparliamentary forces. A stable government with a clear pragmatic program—this was the formula announced by DPS leader Ahmed Dogan. The leaders of the main political forces commented with a certain measure of optimism on the definition of "a government of national responsibility." This was the day on which the percentage of those hoping that a government would be formed showed a marked increase. However, even then certain observers, albeit cautiously, predicted that before the week was over the destructive approach would gain the upper hand. Their pessimism was also fueled by the disagreements that came to the surface within the SDS parliamentary group. Eyewitnesses reported the numerous scandalous scenes occurring at the SDS headquarters at 134 Rakovski Street and in the corridors of the National Assembly between persons in the SDS coalition holding irreconcilable positions.

The end of the week was marked by the decision of the SDS National Coordinating Council and parliamentary group to offer as their sole candidate outgoing Interior Ministry Yordan Sokolov, whose resignation the DPS had been demanding since the spring. This in fact violated the preliminary accords reached between the two contact groups, as Osman Oktay pointed out, because there was no question of handing over the mandate to the SDS, but for a government to be formed on the DPS mandate with an SDS prime minister and broad social support. The proposal of a single candidate forced the DPS to accept one of two alternatives: either Sokolov or elections.

On Monday [21 December], the pessimistic predictions were confirmed. The two parliamentary groups met in Room No. 7 in the National Assembly building. The DPS walked out of the meeting an hour and a half later. The failure of the SDS to propose an alternative candidate doomed the meeting to failure and, perhaps, also spoiled any good atmosphere for joint work in the future.

Andrey Lukanov Released From Detention

AU3012203892 Sofia BTA in English 1930 GMT 30 Dec 92

[Text] Sofia, December 30 (BTA)—At 8 PM this evening, ex-Prime Minister Andrey Lukanov of the Socialist Party left the Academy of Military Medicine, where he was undergoing treatment under guard in pretrial detention.

In July 1992 parliament resolved to strip Mr. Lukanov of his MP's [member of parliament] immunity and he was arrested in connection with the case of the culprits for the economic crisis. Mr. Lukanov served as minister of foreign economic relations under the communist regime.

Last night parliament voted to revoke that part of its resolution which allowed the prosecutor general to issue an arrest warrant for Mr. Lukanov. Press comments suggested that the resolution, voted through by the MP's of the Socialist Party and the Movement for Rights and Freedoms (DPS), was part of a deal to ensure the BSP's support for Prof. Lyuben Berov's government, formed on the DPS mandate.

Mr. Lukanov flatly denied to the BTA the allegations of a deal leading to his release in connection with the formation of the new Bulgarian cabinet.

Earlier today, BTA learnt from Prosecutor Mikhail Doychev that before Christmas, DPS leader Ahmed Dogan had come to the Academy of Military Medicine, intending to visit Mr. Lukanov. BTA reported this on December 28.

Mr. Doychev said that Mr. Dogan asked a physician to approach Mr. Lukanov's guards who, however, refused to allow the DPS leader to see the ex-prime minister because the visit had not been cleared with the prosecutor's office.

Ganev Returns From Moscow, Rejects Criticism

AU3012141092 Sofia BTA in English 1205 GMT 30 Dec 92

[Text] Sofia, December 30 (BTA)—"I did what others here could not have done for lack of information," outgoing Foreign Minister Stoyan Ganev told BTA upon his return from Moscow today. According to him, this information could not be received on the phone.

Yesterday Mr. Ganev urgently left for Moscow, where he held talks with Eduard Grushavenko, who is in charge of fuels and power engineering in the Russian Government, on the grave situation resulting from a drop in Russian gas supplies by a quarter. It caused difficulties for the

thermal power stations in some cities and industrial regions and posed a threat of overloading of the electricity generating system, which might have led to the rationing of power supply.

Mr. Ganev said there were serious problems with the pipelines conveying gas to Bulgaria. There was a breakdown in Uzbekistan, Stoyan Ganev said. He said that however small at first sight, the drop in gas supply might have had grave consequences, which had to be explained to the Russian side. According to Mr. Ganev, it is a matter of hours to return gas supply to normal. He has been assured that this arrangement will be kept in future despite the persisting difficulties.

According to Mr. Ganev, the situation called for quick action. He decided to act promptly, using his contacts. This was Mr. Ganev's reply to yesterday's criticism that the outgoing cabinet and Prime Minister Filip Dimitrov had not been informed of his trip.

He assessed the different interpretations of his unexpected visit to Moscow as petty criticism. "I have always done what I find useful," Mr. Ganev said.

Military Cooperation Pacts With Ukraine Signed

AU2912183392 Sofia BULGARSKA ARMIYA in Bulgarian 23 Dec 92 pp 1, 3

[Report by Lieutenant Colonel Vladi Vladkov: "Military Delegations of Bulgaria, Ukraine Sign Cooperation Documents"]

[Text] Pleven, 22 December— Reform in the Armed Forces is a very complex and difficult process. One must carefully and responsibly approach it, because it is connected with the fate of thousands of people. The structural changes must facilitate the combat readiness and ability of the troops, rather than create difficulties in implementing the functional duties. This was pointed out by Lieutenant General Georgiy Zhivitsa, first deputy minister of defense of Ukraine and chief of the General Staff of the Ukrainian Armed Forces, during his meeting today with Colonel General Lyuben Petrov, chief of the Bulgarian Army General Staff.

The two military commanders exchanged information about the structures of their countries' armed forces, which are in a process of renewal; the legal foundation of the reforms, which already is a fact in Ukraine; and the complex social problems, which equally burden the two countries' military. Lt. Gen. Zhivitsa said that Ukraine does not envisage appointing a civilian to the post of minister of defense any time soon. He said that the Ukrainian parliament debated the issue, but the candidacies that were proposed were not serious enough, and the parliament rejected them. Sooner or later we will have a civilian as minister of defense, but let us first create a good Ukrainian Army.

During the meeting, issues related to discipline, the new conditions of introducing the professional principle in the Army, and the alternative service were discussed. The meeting, which took place in a frank and vary cordial atmosphere, was also attended by Lt. Gen. Stoyan Topalov, first deputy chief of the Bulgarian Army General Staff.

At the festive hall of the Ministry of Defense in the presence of the members of the two delegations, a ceremony took place. Col. Gen. Lyuben Petrov and Lt. Gen. Georgiy Zhivitsa exchanged protocols worked out by Bulgarian and Ukrainian expert groups. They encompass military-technical, military-scientific, and support services cooperation, as well as cooperation in the spheres of military communications and training of cadres.

Afterward Lt. Gen. Georgiy Zhivitsa was received by Lt. Gen. Stoyan Andreev, adviser to the president on issues of national security. In the presence of Major General Stefan Dimitrov, chief of the president's military cabinet, and members of the cabinet, issues related to expanding cooperation between the two armies and the between the Bulgarian and Ukrainian military industry structures were discussed. The mutual opinion was expressed that the relations between two countries and their Armies have always been and will be friendly and will continue to develop in this direction.

The Ukrainian delegation, accompanied by Lt. Gen. Stoyan Topalov, first deputy chief of the Bulgarian Army General Staff, departed for Pleven. The guests viewed the Pleven panorama and signed the distinguished guests' book. Afterward they visited the Skobelev Park, the Monument of the Unknown Soldier, and the city's central section.

Federal Security Blamed for Consulate Bugging

LD3012234692 Bratislava Slovak 1 Television Network in Slovak 2030 GMT 30 Dec 92

[Text] Vladimir Palko, former deputy director of the Federal Security and Information Service [FSIS], and (Vladislav Chlipala), former director of the branch of FSIS in Kosice, responded sharply to statements made by the Slovak interior minister with regard to the electronic bugging device recently discovered functioning in the building of the U.S. Consulate General in Bratislava.

Slovak Interior Minister Jozef Tuchyna claimed that FSIS was responsible for the failure to remove the device and that the 6th administration, which was in charge of the device, had been transferred to the Federal Ministry of the Interior. According to Palko, there is no documentation on the bugs at the FSIS, and the attack of the Slovak interior minister against Slovak FSIS members has a single purpose—to discredit them and prepare grounds for their exclusion from employment in the Security and Information Service of the Slovak Republic.

Iraq to Recognize Czech, Slovak Republics 1 Jan

LD3012215992 Prague Stanice Ceskoslovensko Radio Network in Slovak 1600 GMT 30 Dec 92

[Text] The Iraqi Government will recognize the existence of the Czech Republic and the Slovak Republic as of 1 January 1993. A note to this effect was delivered to the Federal Ministry of Foreign Affairs by the Iraqi Embassy in Prague. The document says that Iraq will aim at constructive and beneficial coopearation in all areas, based on mutual advantage, shared interests, and promotion of equal relations between states and nations.

Republics To Begin Diplomatic Relations on 1 Jan

LD3012181292 Prague Stanice Ceskoslovensko Radio Network in Slovak 1600 GMT 30 Dec 92

[Text] Notes on the establishment of diplomatic relations between the Czech Republic and Slovak Republic were exchanged in Prague by Czech Minister of International Relations Josef Zieleniec and Slovak Minister of Foreign Affairs Milan Knazko. In a note, the Slovak Government expressed consent with the proposal made by Minister Zieleniec that both notes form an agreement between the governments of the Czech Republic and Slovak Republic on the establishment of diplomatic relations beginning 1 January 1993.

New Czech, Slovak Customs Rules To Be Introduced

LD3012221592 Prague CTK in English 2014 GMT 30 Dec 92

[Text] Bratislava, Dec 30 (CTK)—A new customs regime for exporters and importers of goods will be introduced on the Czech-Slovak border as of January 1, 1993, Czechoslovak Finance Minister Jan Klak told journalists today.

Under the agreement on a customs union between the Czech and Slovak Republics, goods coming in either direction will be free of duty. Only value- added tax (VAT) and consumer tax will be imposed. According to Klak, the free-tariff regime will not be applied to goods imported from third countries. Through random checks customs officers will control whether a delivery is supplied with relevant documents. In the customs zone (25 kilometres from the border) customs authorities will have the right to check also private cars, Klak said.

From January 3, 1993, 13 road border crossings and seven railroad crossings will function on the Czech-Slovak borders.

On the Czech side of the border several provisional customs points were set up in the last week of December. They will be in action for six months after which a normal customs regime with customs offices on the border line will be introduced.

On Monday [28 December] Klak said that the movement of people between the two republics will not be limited for the time being. However, he added, under the taxation system to be introduced as of January 1, 1993, the value-added tax and consumer tax will be imposed also on individuals, in case the cost of the transported goods exceeds the 3,000 crown limit.

Exchange of Ambassadors, New Embassies Discussed

LD3112073792 Prague CTK in English 0719 GMT 31 Dec 92

[Text] Bratislava, Dec 30 (CTK)—Czech Minister of International Relations Josef Zieleniec and Slovak Foreign Minister Milan Knazko exchanged notes in Prague today on establishing diplomatic ties between the Czech Republic and the Slovak Republic, the Slovak Foreign Ministry announced.

The Slovak note voices agreement with a proposal by Zieleniec that both notes constitute an agreement between the governments of the Czech and Slovak Republics to establish diplomatic ties at the ambassadorial level as of January 1, 1993.

Zieleniec told a press conference Tuesday [29 December] that he plans his first foreign trip as the head of the Czech Republic's diplomacy to Slovakia, probably in the first days of January.

The Czech Government at its session today discussed the appointment of the first Czech ambassador to Slovakia. However, the issue was later withdrawn from the session's agenda.

The appointment of the ambassador should be preceded by approval from the Slovak side.

Czech Culture Minister Jindrich Kabat told a press conference after the government's session that the filling of the post of the Czech ambassador to Slovakia has yet

to be discussed by the Czech Government coalition. According to unofficial information, a candidate for the post of the Czech ambassador to Slovakia is Miroslav Macek, current vice premier in the outgoing Czechoslovak Federal Government.

Also discussed at the government session was the seat of a future Slovak Embassy in Prague, but none of the proposed buildings was found suitable.

It was disclosed at the press conference that the Czech Government office will move to the current seat of the Federal Government at the end of January, after the completion of necessary construction work.

Slovak Parliament Issues Statement on Independence

LD3112130692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1130 GMT 31 Dec 92

[Text] The Slovak Republic becomes an independent and democratic state as of 1 January 1993. The Slovak parliament issued a statement on this in Bratislava today. The statement states that by taking over obligations following from international treaties the Slovak parliament confirms its political decision to live in a pluralistic democracy. It also says that it respects and honors human rights and the fundamental civic freedoms, and that it creates the fundamental guarantees of freedom, justice, and peace.

The National Council of the Slovak Republic also confirms the will and readiness to become a regular UN member and to fulfill all resulting obligations. It also declares its interest in membership in the Council of Europe and in becoming a contractual party of the European Convention for the Protection of Human Rights and Fundamental Freedoms and it confirms its readiness to fulfill all resulting obligations. The National Council ceremonially declares that the Slovak Republic is prepared to establish and develop diplomatic relations with all democratic countries of the world.

Czech Parliament Adopts Procedure Law Amendment

LD3012194392 Prague CTK in English 1626 GMT 30 Dec 92

[Text] Prague, Dec 30 (CTK)—At the close of its 20th and final session this year, the 200-seat Czech National Council (parliament) today approved with 106 votes an amendment to the law on the order of procedure in the Czech parliament, which will meet again on January 1, 1993, the first day of the Czech Republic's independence.

The amendment comes in response to the Czech Constitution under which the newly emerging Chamber of Deputies has no body similar to the current National Council Presidium. The presidium's powers will be assumed by individual committees, deputies' groups, and the chamber's chairman and deputy chairmen.

Some functions of the presidium will be performed by an organisational committee, which will convoke sessions and propose their agenda. Its approximately 30 members will be the chamber's chairman, deputy chairmen and representatives of all deputies' groups.

According to the amendment, a session of the Chamber of Deputies can be opened if one third of all deputies are present (an absolute majority has been required to date).

The parliament rejected by a close majority a proposal by Deputy Emil Jaros (Civic Democratic Party, ODS) to prohibit smoking in the parliament building.

Withdrawn from the agenda of the 20th session was the proposal by Deputy Marek Benda (Christian Democratic Party, KDS) suggesting establishment of a provisional Constitutional Court of the Czech Republic into which judges of the Czechoslovak Constitutional Court elected in the Czech Republic would be transferred.

Benda told CTK that, in his view, a Constitutional Court of the Czech Republic will be established only after the election of a Czech president (expected in the last week of January—ed.).

Opposition Deputies Leave Assembly in Protest

LD3012132292 Prague Stanice Ceskoslovensko Radio Network in Czech 1100 GMT 30 Dec 92

[Report by Alexandr Picha from the 20th session of the Czech National Council]

[Excerpt] Most of the deputies from opposition parties left the Czech Assembly session in protest about 30 minutes ago. Just before that, deputies from the Social Democracy party accused government coalition parties of hindering the election of members of the Presidium Council of the supreme Czech control body. Deputy Wagner claimed that it was an effort to disable the control body and suggested that the session should be adjourned and his colleague Wagner [as heard] demanded a closed session of the Czech Assembly.

Neither of these two proposals was approved, and thus Deputy Vlcek, representing the Liberal and Social Union parties, wished a happy New Year to the Chamber and appealled to opposition deputies to leave the Chamber.

In the morning, the government coalition failed for the third time to push through the transfer of 81 federal deputies to the Czech Senate. The Assembly rejected a proposal to cut the statutory 60-day period for debating in committees the act on the setting up of the provisional Czech Senate. Many deputies are now saying openly that for at least two months—if not until 1994—the independent Czech state will not have bicameral parliamentary system. According to representatives of the government coalition and opposition, this should not directly affect the election of the Czech president because the Senate's powers would rest with the deputies' chamber for the

time being. It is envisaged that the election of the Czech president would take place toward the end of January. [passage omitted]

Polarization in Moravian Movement Analyzed

AU3012124192 Prague CTK in English 1324 GMT 29 Dec 92

[Text] Prague, Dec 29 (CTK)—Essential changes within the Self-Governing Democracy Movement-Society for Moravia and Silesia (HSD-SMS), now split into two fundamental factions, are expected to be produced at its congress scheduled to be held in Brno, South Moravia, January 2, LIDOVE NOVINY writes today.

The paper sees the main cause of the formation of the two factions in the absence of the institute of exclusive membership: Members of the movement can simultaneously be members of other political subjects. The most frequent is the nonparliamentary Moravian National Party (MNS), but some HSD-SMS members are also members of the Czechoslovak Socialist Party (CSS). The CSS is represented as part of the Liberal Social Union (LSU) in both the 300-seat federal parliament with 12 mandates and the 200-seat Czech parliament with 16 mandates. The HSD-SMS itself has 14 seats in the Czech parliament.

The HSD-SMS was founded in 1990 as a party originally pushing for Moravia's autonomy within Czechoslovakia, now within the Czech Republic. It is headed by Jan Krycer.

According to the paper, one of the two factions espouses liberalism and sees the movement's future in the political center. The other wing is extreme nationalist and is represented by MNS protagonists. The MNS Chairman Ivan Drimal has over the past weeks abstained from pretending idyllic cooperation with the HSD-SMS leadership. It is not possible to estimate how many HSD-SMS members are represented by the two wings, the paper says.

It says that the most important point on the congress agenda will be transformation of the movement into a political party.

The paper thinks that any compromise struck at the congress would only have a "dilatory effect." This is what both wings are aware of. Therefore, a clash is to be expected at the congress.... If Drimal wins, this will complicate the position of the movement's deputies to the Czech parliament and the movement will only extend the number of our extreme parties. If the liberal faction wins, the future party could become a judicious and solid subject, the paper says.

Klaus Describes Czech Economy as 'Healthy'

LD3112132492 Prague Stanice Ceskoslovensko Radio Network in Slovak 1200 GMT 31 Dec 92

[Text] Prime Minister Vaclav Klaus has described the Czech Republic's economic position as healthy. The republic, according to him, has a stable currency, a deregulated market economy, and a developing private business sphere. Klaus views the fact that almost all prices have been deregulated while avoiding rampant inflation as a success. He considers the second round of privatization, the mastering of the introduction of the new taxation system, and the development of trading in securities as the main tasks for 1993. The preservation of the current level of trade contacts with the Slovak Republic within the framework of the customs union, which is being established, will not be an easy task, he said.

Gasoline Prices in Slovakia To Rise on 1 January

LD3112104892 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 30 Dec 92

[Text] The price of fuel will go up in the Benzinol gas stations network beginning 1 January. The price of BA91 gasoline will go up from 17.30 korunas [Kcs] to KCS18.50 per liter. The price of BA96 gasoline will remain unchanged. Diesel will go up from Kcs14.20 to Kcs15.60 per liter, and the price of "natural" gasoline, which used to cost Kcs19.10, will be reduced by 10 haliers. The price of engine oil will not change significantly after the New Year.

Antall Views Relations With Germany

LD3112094392 Berlin ADN in German 0729 GMT 31 Dec 92

[Excerpts] Budapest (ADN)—Jozsef Antall says that Germany occupies an outstanding place in Hungarian foreign relations. The Hungarian premier stated in a conversation with ADN that the Federal [German] Government's foreign policy goals, in particular with regard to central Eastern Europe, correspond to Hungarian policies. "Therefore our bilateral cooperation works very well and we can put on a coordinated front in international organisations."

Without doubt the most important event in bilateral relations in 1992 was Federal Chancellor Helmut Kohl's visit to Budapest 6-7 February when the Treaty on Principles was signed, the premier said. Hungary very much values the fact that in this treaty Germany promised its active support in gaining full EC membership and reaffirmed its willingness to support the implementation of minority rights jointly at international forums. [passage omitted]

Antall recalled that Germany is Hungary's most important trading partner. At the end of August Hungary's exports totalled 2.6 billion German marks [DM] (27.1 percent of total Hungarian exports) and imports were DM2.2 billion (22.4 percent of total imports). Compared with 1991 this was an increase in exports of 15 percent. In contrast to this imports fell by 3 percent.

Antall said German capital investment worth $450-470 million came to Hungary via 2,500 firms. This means that after the United States Germany is the largest foreign investor in Hungary. It is expected that German investment activity will increase in size and quality next year too and thus make an even better contribution toward the restructuring of the Hungarian economy. [passage omitted]

"So, all in all I am satisfied with the development of Hungarian-German relations," Antall said. He described the visit to Hungary next year by FRG President Richard von Weizsaecker as an "important event."

Antall is convinced that Germany will consistently continue to pursue its present foreign policy in 1993. "It is not only Germany's role in world politics which changed with reunification, but also its readiness to take on responsibility," the premier said. The determining elements in German foreign policy will clearly remain the development of integration within the EC, the creation of European Union and transatlantic cooperation, the redefinition of the role of NATO and the WEU [Western European Union], and the institutionalization of the CSCE. These aims fully correspond also to Hungary's foreign policy aims and interests. "German foreign policy proves that Germany does not wish to expolit its greater international responsibility in eastern Central Europe in order to create the opportunity to exercise power or even political hegemony," the premier stressed in conclusion. Hence it also enjoys Hungary's trust and approval because it supports stable democratic development and economic consolidation in the states of eastern Central Europe.

Foreign Minister Views Regional Problems

AU3112092492 Budapest UJ MAGYARORSZAG in Hungarian 24 Dec 92 p 5

[Interview with Foreign Minister Geza Jeszenszky by Andras Erdelyi and Peter G. Feher in Budapest on 23 December: "Geza Jeszenszky on Our Region's Prospects—The Contagious Disease of Distorted Nationalism"]

[Text] The presence of aggressive nationalisms in our region, the prospects of the south Slav crisis, Hungarian-Romanian relations, maintaining relations with our northern neighbor, which is establishing a new state, and the prospects of Hungary's integration into Europe are the main focus in the Christmas interview with Geza Jeszenszky, which he gave to UJ MAGYARORSZAG's foreign affairs correspondents on his return from the United States.

[UJ MAGYARORSZAG] The dramatic and rapid events in world politics do not permit us to enter into deep theoretical analysis; nevertheless, looking at our region's tensions as part of a historical process, what are the major sources of these tensions?

[Jeszenszky] The peculiar and unhealthy appearance of aggressive nationalisms. We were all compelled to become familiar with Lenin's "everlasting" thesis: imperialism as the highest level of capitalism.... The developments of the past one or two years show that this is yet another thing he did not get right. In fact, as a determining factor, nationalism appeared precisely in the last stage of communism. Undoubtedly, the communist regimes accepted certain national interests in a distorted form which became unchecked after the dismantling of the barriers. This way, this kind of nationalism turned into a mutation of Nazism, a contagious disease, and only the welfare societies and the European institutional systems can give hope to cure this. As for the current situation and prospects, I must quote Churchill, who, after Munich, said the following: "England had the choice between shame and war. It chose shame but it will be given war."

[UJ MAGYARORSZAG] Parts of Europe that are close to us also have their share of shame and war nowadays. What are your views on the south Slav situation after Milosevic's election victory? What are the chances of appeasement in the areas of the former Yugoslavia, especially after the Washington visit of the Central European Initiative's [CEI] foreign ministers, where you represented Hungary?

[Jeszenszky] Appeasement is not the same as creating peace. At the moment, it is not clear how the world will resolve the south Slav crisis. However, there is no doubt

that the final result can only be peace, and it has to come very soon. The four foreign ministers of the CEI did not go to Washington and New York to argue by every means in support of forceful measures. A peaceful solution depends on the international community and the forces committing and continuing the aggression. The question is how the two can be "synchronized." Many people think that the world has been sending the wrong messages to the aggressive forces so far. The messages and steps of the international public opinion suggested that the aggressor need not concern itself with consequences more serious than disapproval and condemnation. I could say that we have been seeing a kind of appeasement so far. If the international community plainly indicates and proves with actions that it does not tolerate the violation of signed agreements and punishes them, then we will get closer to a settlement. At the same time, I am convinced that those people who voted for Milosevic want to represent Serbia's interests—regardless of the goals of the various political forces. Unfortunately, this is being done through unacceptable means at the moment. However, they will also have to realize that they are powerless against international pressure, their policies have come to a dead end and, according to our hopes, they will "turn back." At the same time, we also have to see that Milosevic has more chance and opportunity to efficiently limit the Greater-Serbia goals. Up to now, he has promoted the assumed Serbian interests in such an extremist form that those who want to continue the war would listen to him but probably not to anyone else. The new Serbian leadership now has an opportunity to take rational steps, whose basic principles were determined by the London conference.

[UJ MAGYARORSZAG] Can we expect the West to take firmer steps against Serbia?

[Jeszenszky] If we take into consideration the fact that the TIME and NEWSWEEK magazines, which decisively influence the American public, argue in support of firmer steps in Bosnia, then perhaps I can say that some of the Western politicians have also had enough of the inadequate methods. Revaluing politics of this kind always takes a long time, but we cannot wait very long because the aspects that can be considered call for urgency. The south Slav crisis is the last, terrible, period of communism. Communism tried to eliminate the basic moral norms from people. As I see it, people who commit the horrible acts are not fully aware of the meaning of their actions because the notion of sin was wiped out of society during communism. I would like to hope that we will not have to wait until the new U.S. Government is formed and it begins its actual work before the solution of the south Slav crisis can get at least to the point of a cease-fire.

[UJ MAGYARORSZAG] It is not only in the south Slav region that society has forgotten the notion of sin and, although in different forms, we have to witness the consequences of this. The situation is not satisfying for us in Romania, either, but recently President Iliescu has shown a spectacular willingness to negotiate. How does Hungarian foreign policy view this?

[Jeszenszky] After Iliescu came to power, a number of Hungarians in Romania and abroad expressed positive views on him, but we will get a completely different picture if we ask the Democratic Union of Hungarians in Romania. The Hungarians in Transylvania do not consider Iliescu to be too friendly to Hungarians. Personally, I welcomed his apparent willingness to meet Hungarian leaders. In a recent interview, Foreign Minister Melescanu said that, after the unsuccessful meeting in Arad [Oradea], the Hungarian leaders have some kind of fear of high-level dialogue. I personally told him that I do not share this view. There is a huge difference between the situation then and now. We do not exclude the possibility of a high-level meeting but, in our view, this can be deceiving for the two countries. Cordial handshakes and toasts cannot be honest when there are no resolved conflicts behind them. In the past two years, Hungarian politics has aspired to a radical change in Hungarian-Romanian relations. After Ceausescu's fall we believed that positive changes would ensue in our eastern neighbor. It cannot be disputed that important changes have taken place, for example, the Transylvanian Hungarians have been able to establish a party and they have managed to restore certain institutions. Nevertheless, we have to see that there are attempts on the Romanian side to withdraw some of the measures that they consider as concessions. Certain people are trying to restore a period that is linked to the Ceausescu era by some and to the spectacular Romanian nationalism between the two world wars by others. The events around the Matthias statue in Cluj indicate this. In spite of all this, on our part, we would like to see the improvement of bilateral relations. We would like to use the possibilities that, although not through the highest level dialogue but some other way, can help improve bilateral relations.

[UJ MAGYARORSZAG] On 1 January 1993, the CSFR is splitting into two. Hungary will have a new neighbor, namely Slovakia. What new situations and tasks will this present for Hungary?

[Jeszenszky] Even during the process of separation, Hungary has made considerable gestures toward Slovakia. The high-level meetings in September were part of these. Unfortunately, after the discussions that gave ground for cautious optimism, serious actions followed—I am thinking mainly of the diversion of the Danube. These have deteriorated our relations with Slovakia. Hungarian politics has a very clear opinion on this. We have come to an agreement with Bratislava about which forum we will take this disputed issue to. We managed to agree in The Hague Court. Nevertheless, we must look further than this very serious dispute—not giving up our position—and we must strengthen cooperation in other areas, primarily in the economy. We must not forget that 12 percent of Slovakia's population is Hungarian. If bilateral relations are expanded, then this will be advantageous for the population of both sides. During the course of seeking ways to solve bilateral

problems, we must also make agreements like the free trade agreement signed in Krakow. These could demonstrate to the world that cooperation does have a future in Central Europe, that these forces dominate, and that the region cannot uniformly be qualified as a crisis zone.

[UJ MAGYARORSZAG] When talking about the prospects for our region, we must also mention European integration in a broader sense. What are your views on the possibilities of this after the Edinburgh summit?

[Jeszenszky] I am convinced that, in addition to opening the way to negotiations starting in January with the countries of the European Free Trade Agreement that are at the front of the line, the Edinburgh solution, namely in managing to agree on the issues that strongly divide the EC, will also provide the opportunity for the EC to deal on merit with the Visegrad Group's proposals in Copenhagen in the coming six months. This also means that a broader political interest may rise above the petty, narrow interests of various ministries. We need foreseeable prospects because people here no longer accept promises and delays. I find it encouraging that former Foreign Minister of the Netherlands Hans van den Broek has become the member of the EC committee who is to deal with nonmember states or, in other words, expansion, because he strongly supports us. I might be too optimistic but, at the moment, my view is that, in addition to being the year of the World Expo, 1996 may also be the year of our EC membership.

Prime Minister Antall Takes Stock MidTerm

AU3012122892 Budapest UJ MAGYARORSZAG in Hungarian 24 Dec 92 p 5

[Interview with Prime Minister Jozsef Antall, chairman of the Hungarian Democratic Forum, by Laszlo Jasz; place and date not given: "This Should Be the Christmas of Appeasement—Year-End Assessment of Jozsef Antall"]

[Text] The year that is coming to an end gives us an opportunity to look back and draw a balance. Many people have analyzed in many ways how far we have progressed and what point we have reached at the middle of the election period. In one view, the past two and a half years can be seen as a period of political quarreling. Although this surprised and sometimes even astonished citizens who were not used to it, the country remained politically stable.

In the spirit of this situation, this Christmas of 1992 we asked Jozsef Antall to look both backward and forward.

[Jasz] My first question is about a quotation. Ortega y Gasset writes: "If the national spirit is disciplined in all other matters then political disobedience cannot cause much trouble."

[Antall] He does not say this in the sense that some people in Hungary today get goose-bumps at the mere mention of the national concept and think that everything can be resolved by national thinking. This statement by Ortega y Gasset means that if a nation is functioning well—and this is its essence—if the national institutions, meaning the inner structure of the state, function properly then it can put up with the opposition of certain groups of citizens or certain individuals. In this sense I can accept that, within the national framework, within the framework of a clear parliamentary democracy and constitutional statehood, not everything has to please all citizens or particular groups of them. The nation and democracy itself are nothing other than the possibility to legally balance opposing interests.

[Jasz] You explained right from the beginning that it is part of the nature of the opposition that it controls and ruthlessly criticizes the government, and even tries to overthrow and replace it. In the past two and a half years, has everything fitted into the characteristics you find acceptable?

[Antall] As a committed supporter of the multiparty system, I cannot say anything but that this is a natural relationship between the government parties, the government, and the opposition. It is simply part of the internal competition of political democracies that the government has to govern and the opposition criticizes this. There must be competition in the "political market economy" just as in the economy. This includes the intention of all political parties to govern. However, it does not mean that in a country after a change of regime, when the economic, political, and social systems have to be changed with great responsibility, the governing forces have to be constantly attacked with slogans and political phrases or methods that, ultimately, make it difficult for the country to function, undermine the public's trust, and make it impossible to implement the changes quickly. In particular, it is unforgivable for a political force on the other side to say things it knows very well are not true. Fair competition is not only a requirement of the economy. We can find several occasions in the past government period when the tools of unfair competition were used against the government and government coalition.

[Jasz] Does the constant opposition control and ruthless criticism exempt the government from self-criticism?

[Antall] Naturally it does not. The government has to apply self-control and self-criticism. All I can say to this is that, if a government is under constant fire, then it is difficult for it to exercise self-control, draw the consequences, and remedy the actual mistakes. It is much worse when governing has to be done amid constant unjust attacks and a slander campaign. When one is under drum-fire one does not have time to adjust the dials or the equipment. Therefore, if someone thinks he is being a good member of the opposition when he hinders the forward march of the unit—which at the same time is a unit of common goals—with drum-fire and sniper fire, he is doing a serious disservice to democracy.

[Jasz] Let us look forward now. There is a lot of talk about 1994, the new elections. In this connection I ask you, what does the Lithuanian example tell you?

[Antall] The Lithuanian example is a signal for us in the sense that the former communist party's successor party was able to come to the forefront in a place where, with Landsbergis' leadership, a more democratic line had already existed. This process was obviously influenced by the fact that, with Landsbergis, in addition to the national thought, there appeared a democratic thought that, along with the market economy, expressed the hope of prosperity for the people. The Landsbergis period was not able to provide this prosperity. For this reason, people thought that a pragmatic postcommunist line would perhaps be able to create more order and provide more in the way of living standards and other issues. In a certain sense, the failure of the Carnogursky era in Slovakia was a sign of the same process. It can also be seen in other countries that the population's disappointment and loss of illusions regarding the speed of change and the initial tendencies of the living standards favor certain postcommunist forces. In Hungary, too, it happens that the same proportion of votes that, let us say, put them in fifth place in the general elections gives them first place in by-elections. It follows from this that what is important in the 1994 elections is that no other political forces except those that are sincerely and actually committed to parliamentary democratic values should be considered in the competition for government. Because, in this region, we cannot yet say that there is no danger to our achievement of parliamentary democracy and the country's independence. That is why it is necessary for those political forces that acted as the—broad—opposition to the former communist regime to feel a completely common responsibility on this issue. So that the Lithuanian example may not appear here.

[Lasz] Many people are surprised at the interest alliances that are being formed on the left. In your view, is it possible that a broad Christian alliance will be formed to counterbalance this?

[Antall] This is what I was working for at the roundtable discussions as early as in 1989 by establishing the national center. That is also why I personally urged the Hungarian Democratic Forum, the Christian Democratic People's Party, and the Independent Smallholders Party to belong to the same political family with the European and international organizations. In my view, Christian democracy is the most important European force that reconstructed and reorganized Western Europe after World War II and which also serves the Hungarian national interests. This political force must and can be very clearly distinguished from the extreme right and the center left. It is my conviction that it is in Hungary's interest that the national Christian democratic trend, which—similar to the West European parties—includes the European liberal and social values, and which is embodied in our government, should not only represent these most bitter and unpopular four years of transition. It should be given the opportunity to carry the country's leadership through at least two election cycles. In my view, this political force does have a chance in Hungary in 1994, even though it seems much more difficult after the mid-point. In which direction this alliance can be broadened raises a number of questions. To me it is obvious that this political line has to be strengthened.

[Jasz] Finally, my most topical question: During the few days of the holidays, can the tension be eased in a politician who is in a constant state of preparedness for 51 weeks of the year?

[Antall] I doubt it. I cannot remember any Saturdays or Sundays when there was not something about which I had to get in touch with the members of my government, my immediate colleagues, or sometimes with ambassadors here or abroad. There is no rest in this profession. I would like to hope that the country, and perhaps I, too, will definitely have a peaceful holiday.

Goncz on Social Reality, Political Discontent

AU3112093292 Budapest NEPSZAVA in Hungarian 24 Dec 92 p 5

[Interview with President Arpad Goncz by Antal Szalay; place and date not given: "The Country Is a Head Taller Than Itself"]

[Excerpt] [passage omitted] [Szalay] In your view, what are the basic conditions of assuming a political role?

[Goncz] The knowledge of social reality and direct recognition of reality. Finland just celebrated its 75th birthday and I prepared for this because I had to make a speech. While writing my speech, however, I realized that the knowledge of reality is the key to modern Finnish history. The Finns were ready and able to fight with weapons for their freedom, but only until this fight would not turn into a national suicide. They were able to accept the military defeat that was not a moral defeat, and they were able to turn this into an economic and social victory. Rather than joining Europe, they overtook it on the basis of the policy of national consensus. I could say that they followed the policy of Gabor Bethlen [former Hungarian statesman]. They successfully modernized the country, industrialized it on a high level, and established a long-lasting system of political institutions in which the left and right-wing political forces manage to work together, recognizing the country's interests. They also managed to resolve the very difficult national minority issues in such a way that Finland has the courage to name itself in two languages, both in Finnish and Swedish. They did not chase illusions and did not give in to their strong emotions, either.

[Szalay] However, peace is necessary for this.

[Goncz] Peace comes from the recognition of reality because if I do not recognize what reality is, then I do not know which way leads me to achieve my goals.

[Szalay] However, the country you preside over is without peace, is it not?

[Goncz] No, I would not like to say this so plainly. It is like the water when its surface has oil on it, but below it is clear for many meters. My impression is that this country is aware of its needs, it knows itself, and its consciousness is completely modern. Considering that the number of the new type of citizens who are independent of the state and their office and who live from their work has multiplied, then I must say that many people were able to change their lifestyle. Starting from a life of an employee, they accepted the conditions of a competitive society and have not been destroyed by it. The proportion of losers is always bigger in a competitive society than in any humble welfare society, but the latter would not stand the competition in economic achievements. My impression is—and this is what I see in the small local conflicts—that where society's sensitive surface is harmed, it contracts and produces a healthy reaction. Alternatively, look how social support has practically replaced state support in cultural life. Society very quickly adjusted to the changed circumstances. Naturally, I do not want to deny the negative phenomena—for example, that a considerable section of society is becoming poorer. However, even then, or precisely because of this, I find society's ability for self-defense, inherent solidarity, and even its priority system extremely unified and healthy. This obviously reflects a certain amount of selfishness, but there is also room for the support of the other in this. People cannot survive on their own; therefore, it is in their interest to hold the hands of others. This instinctive behavior is more visible in the present society than before. I am convinced that this country will overcome itself and that it is a head taller than itself.

[Szalay] Does political discontent threaten the social processes?

[Goncz] Political discontent basically feeds from disappointment. From the feeling of persecution, disappointment stems from the possibilities that someone is unable to fulfill his wishes. He blames someone else for this, obviously the person whom he faces. Millions of persecuted Hungarians are living in Hungary today and they are all being persecuted by other Hungarians. [passage omitted]

Parliament Approves 1993 Social Security Budget

LD2912205892 Budapest MTI in English 1925 GMT 29 Dec 92

[Text] Budapest, December 29 (MTI)—The Hungarian National Assembly on Tuesday [29 December] evening approved the bill on the financial bases and 1993 budget of social security.

The law sets HUF [Hungarian forints] 581,416 billion as the main revenue sum of the social security sub-system, the expenditure sum as HUF 621,416 billion, and the deficit at HUF 40 billion.

The deficit of social insurance does not make it possible to provide pension-compensation in a degree that accords to the growth in average earnings. Under the law, pensions will go up by an average 14 per cent. (There are more than 2 million pensioners in Hungary, which has a population of 10.3 million.)

A milestone in the renewal of the health-care insurance system is that the central financing of institutions will be discontinued from the second half of 1993 in the so-called family doctor health-care system and in-patient specialized care, with the services and institutions receiving funds on the basis of their performance.

Parliament will continue its work with a plenary session on Wednesday.

Finance Minister Urges Releasing TV Funds

LD3012140292 Budapest Kossuth Radio Network in Hungarian 0810 GMT 30 Dec 92

[Address by Finance Minister Mihaly Kupa to National Assembly in Budapest, with opening remarks by speaker Gyoergy Szabad—live]

[Text] [Szabad] Esteemed National Assembly! Now comes the joint, general debate of the National Assembly draft resolution, which deals with the settling of the frozen 1 billion forints budget support of Hungarian Television, and the bill to amend Law No. 91 of 1991 on the Hungarian Republic's 1992 budget and the 1992 rules of the management of the state housekeeping. The presentations were handed out under No. 8717 and No. 8818. I hand over to Minister of Finance Mihaly Kupa.

[Kupa] Thank you, Mr. Speaker. Esteemed Mr. Speaker, esteemed House! No doubt my esteemed fellow deputies remember that after the budget debate one year ago, the 1 billion forints allocated for expenses and the support of Hungarian Television was frozen. Thus, for the operational costs of television this year, 300 million forints support have been allocated. The esteemed house maintained its right to decide on the release of the sum. However, it did not take a position on the conditions under which it is possible. Performance, in line with the plan of measures completed by the government after the investigation of the State Audit Office and the present financial situation of the Television, was considered as a basis on whether to make a proposal to the esteemed house, and if approved, with what kind of content do we release the frozen sum.

In order to estimate, to evaluate the situation that has developed, with the authorization of the prime minister, there was an on-the-spot investigation with which Elemer Hankiss, the president [of Hungarian Television] totally agreed; to carry it out I invited auditors [koenyvszakertoe]. The investigations all in all found out that during the year the Television maintained its ability to function, primarily due to the fact that it increased its various incomes to a significant degree. At the same time, those who carried out the investigation proposed

independently of one another that in the uncertain liquidity situation in which the Television finds itself, the frozen support, or at least half of it, should be liquidated [made available] for the Television.

The government submits its proposal to the National Assembly to release the frozen support independently of the investigation in progress against certain executives of the Television. The government has the opinion that the licence payers, the population, need an undisturbed provision of programs and that the Television should get prepared for its future tasks in time. From the money amounting to almost 900 million forints to be allocated now, the Television can settle its various debts, and it would be expedient to put the remaining 110 million forints into a deposit account; its use can then be decided on the basis of the follow-up investigation of the State Audit Office. In this way, the resources available to the Television will be released in a considerable sum, and they can be spent on aims to be defined by itself. To pay the above- mentioned state debts and to fulfill the other obligations is unavoidable and timely.

Therefore, the decision to be made according to the National Assembly resolution is justified. Apart from this, it is also necessary to amend the law on the 1992 budget, with which, in accordance with the earlier assigned sums, certain guidelines of the Television are to be altered. I ask the Esteemed House to adopt the National Assembly draft resolution and the bill. Thank you, Mr. Speaker.

Ministry To Recognize Czech, Slovak Republics

LD3012044092 Warsaw PAP in English 2320 GMT 30 Dec 92

[Text] Warsaw, Dec. 31—The Polish Ministry of Foreign Affairs issued a statement in connection with the establishment of two independent states of the Czech and Slovak Republics. The statement says that the Government of the Republic of Poland decided to recognise the Czech and Slovak Republics as separate states as of January 1, 1993, when the Federative Republic of Czecho-Slovakia splits.

In its decision of an immediate recognition the Polish Government took into account "the traditional friendship among the people of Poland, Bohemia and Slovakia, their hundreds-years-old good neigbourliness and necessity of maintaining continuity of mutual relations."

Poland declares that its future relations with the new states will be based on international law and the purposes and principles of the charter of the United Nations, in particular the "principle of the sovereign equality of states, respect for territorial integrity and inviolability of borders, non-interference into internal affairs, respect for political independence, settling disputes by peaceful means and refraining from the threat or use of force."

The Ministry of Foreign Affairs is convinced that the good cooperation that has developed between Poland and Czechoslovakia in recent years will be continued and enriched in relations with the Czech and Slovak Republics. The ministry is certain that this cooperation will be beneficiary for all the sides and will contribute to strengthening of peace, to stability and security states.

The Republic of Poland decided to accept the proposal of the Czech and Slovak Republics and establish full diplomatic relations as of January 1, 1993.

Arab Envoys Ask Support for Deported Palestinians

LD3012210592 Warsaw PAP in English 1737 GMT 30 Dec 92

[Text] Warsaw, Dec. 30—In a press statement issued on Wednesday [30 December], the Council of Arab Ambassadors who are accredited in Warsaw asked the Polish public opinion to express solidarity with the 415 Palestinians deported by the Israeli authorities and support the activities "aimed at ending the tragedy taking place on the occupied territory and in the 'no-man's land' zone." The statement emphasized that the council "expresses its indignation and firmly condemns the inhuman conduct of the Israeli authorities who violate the fundamental human rights." "The latest decision to deport 415 Palestinians is a blatant breaching of the 4th Geneva Convention and other international treaties concerning the protection of civilians under occupation," the communique reads.

Ratification Documents Exchanged With Ukraine

LD3012205192 Warsaw PAP in English 1658 GMT 30 Dec 92

[Text] Kiev, Dec. 30—The treaty between Poland and Ukraine whose ratification instruments were exchanged here Wednesday [30 December] provides for development of bilateral relations "in the spirit of friendship, cooperation, confidence and good neighbourhood." Signed by Presidents Lech Walesa and Leonid Kravchuk last May, the document confirms the final character of the border between Poland and Ukraine which declare they have no territorial claims on each other.

The sides to the treaty have obligated themselves to give their support to the process of disarmament, including mass destruction weapons. They have also renounced the production, purchase and possession of such weapons.

The treaty says an intergovernmental committee will be created to oversee the development of relations between regions and towns in both countries.

Poland and Ukraine declare they will protect the national identity of the Ukrainians in Poland and Poles in Ukraine. Both states pledge to develop good traditions of common history and overcome negative stereotypes and prejudice existing in mutual relations.

Skubiszewski Pays Official Visit to Ukraine

WA3112123492

For Ukrainian reportage on the visit to Ukraine by Foreign Minister Krysztof Skubiszewski, including reports on his talks with President Leonid Kravchuk and Prime Minister Leonid Kuchma, see the Ukraine section of the 30 December CENTRAL EURASIA Daily Report and subsequent issues.

Polish Sejm Marshal on Improvement of Relations

WS3012130192 Vilnius ELTA NEWS BULLETIN in English 1243 GMT 29 Dec 92

[From ELTA "NEWS BULLETIN" No. 153]

[Text] 29 December 1992—The Marshal of the Polish Seym Wieslaw Chrzanowski spoke to the ELTA correspondent in Warsaw about the existing perspectives for the improvement of the relations between Lithuania and Poland. Provided both sides are open to each other, all the difficulties can be overcome, he said. On the one hand, he noted the persistent distrust of the Lithuanian leaders and society concerning Poland's intentions with regard to Lithuania, on the other hand, he expressed some dissatisfaction with the treatment of the Polish minority in Lithuania, as perhaps, the main cause for a certain tension in the mutual relations.

However, the Marshal of the Polish Seym called back to mind the great ovations with which the crowd of many thousands of believers greeted the Lithuanian delegation from Punsk during the Pope's visit to Warsaw which, in his

words, gave evidence that the Polish society bore no ill-will to Lithuania. We may vary in our views on certain landmarks in our common history, however even here we can arrive at mutually acceptable solutions, Mr. W. Chrzanowski said. In conclusions, he expressed his conviction that after the collapse of the USSR, Poland and Lithuania as well as the other Baltic States should unite their efforts in order to stabilize the situation in this region.

Relations With Neighboring Nations Reviewed

LD3112015192 Warsaw PAP in English 0000 31 Dec 92

[Text] Warsaw, Dec. 30—Poland will have seven neighbours starting from January 1, 1993: Germany, the Czech and Slovak Republics, Ukraine, Belarus, Lithuania and Russia.

As for Germany, Poland and the FRG signed the treaty on the inviolability of borders and the resignation from territorial claims a month after the German re-unification on October 3, 1990. On June 17, 1991, both states signed the treaty on good neighbourliness and friendly cooperation. Poland and Germany also signed the agreement on support and mutual protection of investments. In April 1991, the visa requirement was cancelled.

Germany supports Poland in the EC and is also its biggest economic and trade partner, although Poland's share in German foreign trade makes only 1 per cent. In 1991, the overall Polish-German trade amounted to 7,869 million dollars [USD]. German firms have invested about 250 million USD in Poland now. So far, 2,000 companies with German capital have been registered in Poland.

Germany is also Poland's largest creditor (19-million-dollar loans) both in the Paris and the London clubs. A considerable part of the debt was either reduced or converted.

As for Czechoslovakia, the October 1991 treaty on good neighbourliness, solidarity and friendly cooperation had been the basis for Polish-Czech-Slovak relations so far. In 1991, Poland was the third largest trade partner of Czechoslovakia.

Poland declares its readiness to recognize the Czech and Slovak Republics as two separate states immediately after the division of the Federation on January 1, 1993. Throughout 1992, Poland tried to simultaneously develop relations with both republics. On December 21, the Czech and Slovak Republics, Poland and Hungary (members of the Visegrad group) signed the agreement on a free trade zone between these states, to come into force in March 1993.

As regards Ukraine, Poland was first to recognize the Republic of Ukraine on December 2, 1991. The treaty on friendship, cooperation and good neighbourliness, signed by Presidents Lech Walesa and Leonid Kravchuk last May, is the basis of bilateral relations.

Last October, Poland and Ukraine signed the agreement on cooperation in economy and trade. In 1991, Polish-Ukrainian turnover amounted to 176 million dollars.

As for Belarus, Poland recognized the Republic of Belarus in December 1991. In March 1992, both states signed an agreement on establishing diplomatic relations, an educational agreement, agreements on avoiding double taxation, and on cooperation in science, technology, culture and education.

Both states also agreed to establish a Polish-Belarussian commercial bank. Poland is the largest Belarussian trade partner (behind the Commonwealth of Independent States). In 1991, Polish-Belarussian trade amounted to 151 million dollars.

Poland recognized the Republic of Lithuania on March 12, 1990, but both states signed the declaration on friendly relations and good neighbourly cooperation much later in January 1992. The slow development of Polish-Lithuanian relations resulted mainly from friction over the Polish minority (7 per cent of the population) in Lithuania.

In February 1992, Poland and Lithuania signed the agreement on economic cooperation. Polish-Lithuanian trade amounted to 25 million dollars in 1991. The Polish-Lithuanian economic chamber was set up and the agreement on supporting mutual investments and on border crossings was signed in 1992.

As for the Kaliningrad District, an integral part of the Russian Federation, the "Jantar" free trade zone was set up there on Russia's initiative and Poland is one of the biggest investors in this region.

Skubiszewski on Balkan Crisis, EC, NATO

93BR0308A Brussels LA LIBRE BELGIQUE in French 22 Dec 92 pp 1, 4

[Interview with Krzysztof Skubiszewski, Polish minister of foreign affairs, by Michel Rosten; place and date not given: ""Yugoslav Crisis Belies European Unity""]

[Text] *Mr. Skubiszewski, head of the Polish diplomatic service, reviews the future of Europe with LA LIBRE BELGIQUE.*

At the latest NATO ministerial conference—the second day of which is traditionally devoted to a dialogue between the Alliance members and representatives from the former Warsaw Pact countries—the head of the Polish diplomatic service granted us an interview, the main body of which is reproduced below.

Visegrad

[Rosten] Mr. Minister, after the meeting of the NACC [North Atlantic Cooperation Council] member states held on Friday at NATO Headquarters, can you now assess the progress made by Poland on its path toward rapprochement with the Alliance?

[Skubiszewski] NACC is just one of the platforms—albeit the broadest one—of our cooperation efforts and links with the alliance. Within this framework, which includes a wide variety of countries, there are opportunities for closer cooperation between certain members. In my opinion, these opportunities are all the more important since NATO is not currently admitting new members. But if it decided to, Poland would be the first candidate. From its point of view, of course.

[Rosten] Poland is currently acting as the driving force of the Visegrad group. Is it in Poland's interest to maintain this three-way—and soon four-way—cooperation or rather to organize its relations only with NATO and the EC?

[Skubiszewski] It is in our interest to maintain this group. However, I will not conceal my concern over the conflict between Slovakia and Hungary concerning the Danube. On the other hand, the problems associated with the Hungarian minority in Slovakia is dividing these two countries. I hope that this will not have a harmful effect on four-way cooperation.

[Rosten] At the latest session attended by the ministers of defense, Mr. Cheney asked the allies to pay greater attention to political instability in East Europe. The speech given a week ago by Mr. Kozyrev in Stockholm implicitly proved him right, as did the turn of events at the Seventh Congress of Russian deputies. What is your position in this?

Indifference

[Skubiszewski] Let's first talk about the role of the Alliance in Central and East Europe. I maintain that since late 1990 NATO has not been able to remain indifferent to security concerns in this part of the continent. Bearing this in mind, I would go a step further: Indifference is a negative concept. NATO must not only exercise its influence in this part of the world, but must also say that threats to the security of any country in Central or East Europe will involve the Alliance: Security in Europe must be viewed as a whole. We are well aware, however, that security is not a single unit and that there are several degrees of security—from the hard core of the Alliance to the stable peripheral areas of East Europe. In my view, the Alliance must wield its influence, although this is not provided for in the 1949 treaty, which is a living document that must be adapted to the real situation.

Once this precondition has been agreed upon, we must, with respect to the Russian question, make a distinction between Kozyrev's rhetoric and the decisions taken by the Parliament. It must be said that the method and form of intervention employed by my colleague were neither orthodox nor traditional. Mr. Kozyrev evoked threats which he defined as "corrections to be made to Russian foreign policy." I think that this is a rather weak way of putting it. But the important thing is that he presented certain serious dangers, not as already being part of President Yeltsin's current policy, but as dangers which could emerge if other political forces become too dominant. I, however, have been aware of these possibilities for a long time. One only had to follow events in Russia. So, what lesson can we learn from this speech in Stockholm? That we must support President Yeltsin, because he is still the hope for reform in Russia.

How can we help Russia? It is an impossible task, due to the size of the country. One can help Poland and Hungary, like East Germany was helped, even if Chancellor Kohl is now aware of the costs involved. What we must do is help Russia and the other post-Soviet republics in the area of training and to create institutions which do not yet exist there.

Nationalistic Feelings

[Rosten] Regionalistic temptations are raging in Europe. Nationalism has led to civil war in Yugoslavia. In Czechoslovakia, nationalism caused a surgical operation. Doesn't the development of nationalism represent the real threat to Europe?

[Skubiszewski] There is a danger of nationalism, but regionalism—as it is known in the West and as it is beginning to develop along the border between Germany and Poland—must be maintained. Furthermore, our country is making efforts to boost regionalism among our neighbors to the east, in Kaliningrad, in Belarus, and in Ukraine because these regions are home to mixed populations. Nationalism can be found everywhere. The European idea is a good response to nationalism. But we must also use other means to combat and dismantle it. Here I am thinking mainly of education.

Initiative

[Rosten] After your trip to Brussels, you are leaving for the United States. Do you have a mission to carry out there?

[Skubiszewski] Before going, I must still hold talks at the EC Commission (last Saturday). It is very important for us to gain admittance to the EC eventually. A first step has been taken since the signing of the association agreement. The EC is increasing development opportunities for countries like Belgium, France, and the Netherlands. The same would apply to Poland. However, for us there is another important factor: Over the last two or three centuries, Poland's very existence has been under threat. During the Second World War, Polish people were liquidated. The Nazis concentrated on the Jews, but they also set great store by the physical liquidation of the Polish intelligentsia. As for the Soviets, they killed Polish officers. In short, over the past decades, our existence has been under constant threat. For us, then, the EC represents a guarantee of security.

My trip to the United States is a mission concerning regionalism in the context of "the central European initiative" which corresponds to the former "Hexagonal initiative." The number of members has risen since the break-up of Yugoslavia, and they decided to contact President Bush, Mr. Clinton's team, and the UN Secretary-General to explain our views on the Yugoslavian crisis, the dangers of prolonging it, and the passive response of many countries. In my opinion, this crisis is

a European catastrophe, a failure which belies European unity. Action should have been taken two, three, or four years ago, for this conflict has been a long time brewing. We knew that Bosnia-Hercegovina would explode if there was fighting in Croatia, yet we did nothing. It represents the total failure of diplomacy.

Government, Striking Miners Reach Agreement

LD3112094092 Warsaw PAP in English 0841 GMT 31 Dec 92

[Text] Warsaw, Dec. 31—Representatives of striking miners and government officials signed a protocol of decisions on all 23 trade union demands on Thursday [31 December] morning.

Deputy Labour Minister Michal Boni said after the 16-hour long negotiations that the protocol will become an agreement only after the miners call off the strike which started on December 14 and involved some 350 thousand miners.

The inter-factory regional strike committee is the only body which has the authority to call off the strike. According to leader of the Solidarity National Mining Commission Waclaw Marszewski Monday is the earliest possible date for ending the strike. Trade union negotiators after signing the protocol left Warsaw for Silesia where they are to meet with the strike committee to discuss the results of the talks.

Government Bans Coal Exports From 1 Jan

LD3112105592 Warsaw Radio Warszawa Network in Polish 1836 GMT 30 Dec 92

[Text] The government press office reports that the Council of Ministers issued a decree that introduces a ban on coal exports from 1 January 1993. This decision has been made with a view to the need to secure electric energy supplies for Poland. This decree will be in force for a limited period of time and will be lifted when the coal supplies for the population and enterprises will increase and when the continuous necessary supplies of electric energy will be secured. The decision on the temporary ban on coal exports may bring negative results for long term cooperation agreements and other contracts signed by Poland. However, the most important matter is, in the present situation, securing electric energy supplies for Poland. Jacek Kozlowski, head of the government press office, is signed under this communique.

Popieluszko Murder Case Trial Adjourned

LD3012193492 Warsaw PAP in English 1535 GMT 30 Dec 92

[Text] Warsaw, Dec. 30—The Warsaw Provincial Court adjourned here on Wedenesday [30 December] the trial of two former security service generals accused of masterminding and directing the killing by their subordinates of Father Jerzy Popieluszko, a vocal critic of martial law.

The trial will be resumed after 22 January when the court will decide on whether to accept a motion tabled last October by lawyers of Popieluszko's parents and calling for returning the case to prosecuting bodies for "the continuation of the investigation that would result in bringing charges against new persons." The murder took place in October 1984 when the Internal Affairs Ministry was headed by General Czeslaw Kiszczak. The motion apparently refers to him.

Press Market Developing Rapidly in Poland

LD2912203492 Warsaw PAP in English 1601 GMT 29 Dec 92

[Text] Warsaw, Dec. 29—The press market has been developing rapidly in Poland since the Communist "RSW" press concern lost its monopoly in 1990. According to some estimates, the number of press "titles" has risen several times. In brief, large publishing houses have come into existence, foreign investors are entering Poland's press market and there have even been spectacular cases of bankruptcy.

According to various sources the number of press titles [word indistinct] market 1992 been estimated at up to 4,000, with over 70 dailies and some 20 national newspapers.

The "GAZETA WYBORCZA" and "RZECZPOSPOLITA" dailies have been operating smoothly in 1992, while the "NOWY SWIAT", "POLSKI KURIER", "NOWA EUROPA" and "EXPRESS WIECZORNY" papers have suffered various setbacks. "GLOB 24", the first Polish daily printed in colour, and "OBSERWATOR CODZIENNY" have gone bankrupt. "ZYCIE WARSZAWY" has been considerably revamped.

"POLITYKA" and "WPROST" are still Polish top weeklies. Their layout has been changed to meet market requirements. "DZIENNIK COTYGODNIOWY - NIE" has been a success mainly due to its unconventional style.

Publishing do-it-yourself and women's magazines form the key to becoming a Polish press magnate. Seven periodicals with a total circulation of 1.8 million copies, are controlled by "Proszynski and S-ka", while 1.5 million copies of 5 newspapers are published by "Phoenix International".

Robert Hersant, the publisher and owner of French "LE FIGARO", has shares in seven Polish newspapers, with a total circulation of 675,000 copies on weekdays and 1.7 million copies on weekends.

Price Hikes in Gas, Electricity Announced

LD3012205492 Warsaw PAP in English 1700 GMT 30 Dec 92

[Text] Warsaw, Dec. 30—Retail prices for natural gas increase by 16 percent while those for electricity by 12 percent as of 1 January, 1993, the Finance Ministry announced. The rise is the result of growing costs of production, first of all coal prices. Price increases of gas and electricity are planned four more times next year. in April, July, August and November.

Spokesman Discusses Tudjman's Claims on FRY Involvement

AU3012154992 Bucharest Radio Romania Network in Romanian 1100 GMT 30 Dec 92

[Text] Concerning the news circulated by Romanian and foreign media related to the statement made by Croatian President Franjo Tudjman on 28 December about the presence, quote, of numerous military persons, not only from Russia, but also from other states, such as Romania, unquote, on the side of Serb forces, the spokesman of the Ministry of Foreign Affairs of Romania, Mrs. Simona Niculescu, pointed out the following things during the news conference she held today:

Romania's Government has continuously and categorically expressed its views concerning the promotion of the process—based on the significant support of the international community—leading to the peaceful settlement of the Yugoslav crisis. Romania's Government has joined all efforts intended to politically solve that crisis. Similarly, the government of our country has reiterated the importance of the neighboring countries' noninvolvement in actions that could aggravate the situation in that area.

According to that position of principle, the participation of Romanian citizens in the struggle on the territory of the former Yugoslavia would tantamount to a gross violation of Romanian legislation. Besides, on the basis of data available at the Romanian Ministry of Foreign Affairs, it does not follow that Romanian citizens could be involved in conflicts on the territory of the former Yugoslavia. National Defense Minister Niculae Spiroiu unequivocally stated on 28 December that allegations concerning Romania's involvement in the Yugoslav conflict lack any real basis.

Romania's Government has taken appropriate measures in each of the evolution phases of the Yugoslav crisis meant to strictly apply the resolutions of the UN Security Council, beginning with Decision 756 of 8 November 1991—concerning the implementation of Resolution 713, introducing the arms and military equipment embargo over the components of the former Yugoslavia—and ending with Decision 771 of 27 November 1992, concerning the implementation of Resolution 787 introducing the embargo over the Federal Republic of Yugoslavia, Serbia, and Montenegro. Under such circumstances, one cannot comprehend such allegations suggesting that Romania should be involved—supporting either of the conflict parties—in the armed conflict in the former Yugoslavia.

The Ministry of Foreign Affairs regrets the fact that—granting credit to such unverified information—allegations are being made that are contrary to both the Romanian Government's constructive position with respect to the Yugoslav crisis and its attitude of promoting cooperation ties with all the republics that formerly belonged to Yugoslavia. In our opinion, such allegations could be used to damage the efforts that are being made to find a political solution to the Yugoslav crisis, the Foreign Ministry spokesman Simona Niculescu said in conclusion.

Ministry Denies Fuels Passing Through FRY

AU3012191092 Bucharest Radio Romania Network in Romanian 1800 GMT 30 Dec 92

[Excerpts] At today's news conference held by the spokesperson of the Ministry of Foreign Affairs, Mrs. Simona Miculescu, a number of specifications were made in connection with information on the involvement of Romanian citizens in the conflict in former Yugoslavia. [passage omitted]

Regarding the news reported today by AFP, namely that the UN Committee for Sanctions Against Former Yugoslavia has been informed of a first example of false documents permitting some 100,000 tonnes of fuels from Romania to transit the Federal Republic of Yugoslavia—Serbia and Montenegro—the spokesperson of the Ministry of Foreign Affairs made, as our reporter informed us, the following specifications to AFP:

Some time ago, the Romanian side was warned, through diplomatic channels, of the existence of a number of false documents ascribed to the UN Protection Forces regarding the transit of fuels and other goods through the Federal Republic of Yugoslavia—Serbia and Montenegro. The competent Romanian authorities have taken note of the existence of these false documents, and the Federation Customs Directorate has proposed taking the necessary measures. The Romanian side specifies that the authorization of any transport that implies transiting the Federal Republic of Yugoslavia—Serbia and Montenegro—strictly belongs to the competence of the Council of Sanctions of the UN Security Council.

State Minister Negritoiu Discusses Reform Goals

AU3112090292 Bucharest ADEVARUL in Romanian 28 Dec 92 p 3

[Interview with Minister of State Misu Negritoiu, chairman of the Council for Coordination, Strategy, and Economic Reform, by Corneliu Carlan; place and date not given: "The 1990 Reform Draft Is To Be Reconsidered"]

[Text] Recently, Minister of State Misu Negritoiu met with a few journalists that deal with economic issues to present the planned structure of the Council for Coordination, Strategy, and Economic Reform—of which he is the head—as well as the objectives of future activity. Since such an institution is something absolutely new in Romania, here is some information:

The Council incorporates two essential departments: one for economic reform and another for European integration.

[Carlan] What is the role and purpose of the department for European integration?

[Negritoiu] This whole reform is carried out according to European dimensions; I think that the die is cast and we will act according to negotiations on the association with the Common Market, which clearly mentions all the stages of the reform. The role of this department is to seek and take over patterns of reform, European structures, laws, and trade, economic, and financial cooperation, as well as the administration as a whole. We also have a directorate for economic assistance that supports the reform.

[Carlan] You have proposed a consultative commission. What do you expect from the specialists whom you will invite to express their opinion?

[Negritoiu] These people will hold different opinions and, through an exchange of ideas and arguments, we sometimes succeed in settling certain conflicts and unproductive polemics, which, abroad, lend another scope to disagreements, and this hampers progress. We want to lend more coherence to the reform process without lending it a unilateral characteristic.

[Carlan] What will be the difference between the activity of the "council" and that of the executive power, and what are their common points?

[Negritoiu] We have to propose the legislation and organizational system. For instance, the problem of the private sector has to be clarified once and for all. We will come up with proposals to clarify what belongs to the local administration and what belongs to the central administration; thus, we need a clear-cut law on the local and central budgets. We also have to see how to solve the problem of plots of land. We are certainly playing an active role because we recognize the need for new laws, discrepancies in existing laws, and have proposed fiscal and economic mechanisms, customs exemptions, and so forth.

[Carlan] Such notions as technological upgrading and restructuring have been mentioned before in various reform programs. What is the position of the current Council for Reform vis-a-vis these notions?

[Negritoiu] Technological upgrading is linked to restructuring. I think that the draft reform outlined in the 1990's is 75 percent suitable even today. What was thought then is not bad as far as technological upgrading and economic modernization is concerned. In actual fact, that "draft" was designed to express the need for relaunching investments and stimulate investors' behavior to benefit the modernization of the economy. It is understood now that we will not be able to proceed toward technological upgrading and the relaunching economic growth without relaunching the investment process. However, no one should imagine that we will relaunch the housing construction process with a few billions from the state—that is, with money from central investments. I want to explain that this is a problem that strictly belongs to the microeconomic realm and depends on the investment conduct of economic units. Even if the state will play a role—and I think it will do so—in the orientation of priority sectors and in connection with a financial impulse, we cannot talk of a technological upgrading by the state. The reform aims at economic growth. No one today who makes any profit and behaves in a normal way spends all of it, but actually invests the profit again. However, state enterprises do not behave the same way. After all, their only objective today is to pay wages. As for exports, no commercial company will take the liberty—if it behaves in a normal way—to foolishly sell its merchandise to insolvent countries as in the past. So, how can we help such conduct? On the basis of studies on the size of the market we have for industrial restructuring, we can work out measures to liberalize exchanges and remove nontariff barriers.

Government, Trade Union Wage Consultations Resume

AU3012170692 Bucharest ROMPRES in English 1612 GMT 30 Dec 92

[Text] Bucharest, ROMPRES 30/12/1992—Consultations were resumed on December 30 with representatives of nine trade union confederations and employers' organizations on the proposals advanced by the Ministry of Labour and Social Protection and the Ministry of Finance on the salaries of the personnel in the commercial companies with mostly state-owned capital and the public corporations for 1993.

Proposals conducive to the improvement of the pay system next year were advanced during the talks. The pay system in 1993 is intended to be established just like this year through negotiations inside every economic agent, taking account of the companies' financial possibilities.

In order to curb inflation, they agreed on the necessity to maintain a system of controlling the growth of the salary fund that should allow for pay rises contingent upon labour productivity growth and the cutting down of production costs, the creation of new jobs and a better correlation of salaries among branches and sectors of activity.

Also, through the improvements to be made in the mechanism of indexation of the salary fund contingent upon price rises, conditions will be ensured for every commercial company and public corporation to better keep its own economic and financial situation under control.

Butrus-Ghali Arrives in Sarajevo for Talks

AU3112122992 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 31 Dec 92

[Report by Ranko Mavrak on arrival of Butrus-Ghali at Sarajevo airport, 31 December—recorded]

[Text] At exactly 1045, a UN aircraft touched down on the runway of Sarajevo airport. Butrus Butrus-Ghali, Secretary General of the United Nations, was on board, accompanied by General Satish Nambiar, commander in chief of the UN forces for the former Yugoslavia. They were met at the airport by [word indistinct] of the UNPROFOR [UN Protection Forces] who are stationed in Sarajevo, led by General Phillipe Morillon [UNPROFOR commander for Bosnia-Hercegovina] and General Abdul Razek [UNPROFOR commander for Sarajevo]. The Secretary General did not spend much time at the airport. He briefly toured the airport building and had a look at one convoy of humanitarian aid that was already on its way to the city. Then the UNPROFOR convoy set off for the Presidency building in Sarajevo, where, at 1200 exactly, talks are to start with members of the Presidency and other Bosnia-Hercegovina officials.

Meets Bosnian Officials

LD3112131892 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 31 Dec 92

[Report by Zeljko Ruzicic from Sarajevo]

[Excerpt] UN Secretary General Butrus Butrus-Ghali arrived in Sarajevo shortly before 1100 this morning on a one-day visit. Butrus-Ghali, who is on his first visit to Bosnia-Hercegovina, was accompanied by Cyrus Vance, one of the cochairman of the peace conference on former Yugoslavia, and General Satish Nambiar, commander of the UN Protection Forces [UNPROFOR] in the former Yugoslavia. Immediately upon landing at Sarajevo Airport the UN secretary general met with the UNPROFOR commanders for Bosnia-Hercegovina and Sarajevo. He also visited the UN units stationed at the airport and had an opportunity to see a humanitarian aid convoy which was about to leave for the town center.

At noon precisely talks began in the Bosnia-Hercegovina Presidency building between Butrus-Ghali, Vance, and Nambiar on one side and Ejup Ganic, the vice president of the Bosnia-Hercegovina Presidency, on the other. Representatives of the Bosnia-Hercegovina government are also attending the talks.

In the course of his visit Butrus-Ghali will pay a visit to the Egyptian battalion of the UN peace forces in Sarajevo. This afternoon Butrus-Ghali is expected to hold a news conference in the UNPROFOR headquarters in Sarajevo. [passage omitted]

'Fierce Battles' Waged Around Sarajevo

LD3012142892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 30 Dec 92

[Text] Sarajevo, 30 Dec (TANJUG)—On the Sarajevo battlefront fierce battles were waged throughout the night with Muslim forces on Mount Igman relentlessly shelling parts of Sarajevo under the control of Serb forces. Particularly vehement attacks were carried out against the Serb Army positions in the residential area near the Zeljeznicar soccer stadium. Milinkladska and Ozrenska streets have been virtually plowed under by 82mm and 120mm caliber shells.

Late last night artillery attacks from Mount Igman and Kovaci on the areas of Ilidza and Vogosca were stepped up. Material damage is enormous, but there has so far been no reliable report of possible casualties.

Early this morning artillery weapons fell silent only to be used again at about 1000 from Sokolj against the Serb position at Rajlovac. At the same time battles were resumed on the Ilijas front.

There were no infantry clashes overnight, but a heavy infantry attack was launched this morning against Grbavica and Vrace where two Serb fighters sutained injuries. As the day progresses the battles are gaining in intensity and are spreading in the direction of Ilidza, Dobrinja, and Lukavica.

Bosnian Serbs Claim Muslim Attack Repulsed

LD3112032692 Belgrade TANJUG in English 0051 GMT 31 Dec 92

[Text] Belgrade, Dec 30 (TANJUG)—Bosnian Serbs on Wednesday [30 December] afternoon repulsed a Muslim attack on the garrison in Sarajevo's suburb of Rajlovac, and in Hercegovina, heavy fighting was reported around Kalinovik and Foca, the Bosnian Serb news agency SRNA and local Serb army sources said.

SRNA said that the combined artillery and infantry attack on Rajlovac had begun in the early morning.

The Bosnian Serb army command in Hercegovina said that Muslim forces had attempted a break-through at Kalinovik and Foca, and there were sporadic clashes on the [word indistinct], Capljina-Stolac and Mostar-Nevesinje fronts.

Muslims kept up an artillery barrage and infantry attacks all day on Wednesday on the Serb positions at Bratunac in eastern Bosnia-Hercegovina, Bosnian Serb army sources said on Wednesday night.

SRNA reported the heaviest fighting around the Sase lead and zinc mine.

During the fierce Muslim offensive in the area, which started about a fortnight ago, Muslims have massacred

more than one hundred Serb civilians, mainly women, children and old men, in the villages of the Bratunac municipality.

SRNA said that strong infantry units of neighbouring Croatia and Bosnian Croats, supported by tanks, attacked the Bosnian Serb positions at Samac in northern Bosnia.

Bosnian Serbs on Wednesday afternoon beat back an all-out Muslim attack from the direction of Gradacac, northern Bosnia. SRNA said that the heavy artillery attack was supported by Croat forces from Orasje in the northeast.

Fighting Continues Around Bratunac

LD3112102092 Belgrade TANJUG in English 0945 GMT 31 Dec 92

[Text] Belgrade, Dec 31 (TANJUG)—Fighting continued around the northeastern Bosnian town of Bratunac on Wednesday [30 December] night and Thursday morning.

Serb military sources said battles were waged in the Muslim-held Serb villages Jelasi and Sikirici, near Bratunac, on the Bosnian bank of the Drina River dividing Bosnia-Hercegovina and Serbia.

The Muslim forces, which launched an offensive on Bratunac eight days ago, are building fortifications in the area, the same sources added.

On Wednesday night, Muslim units firedf artillery at a Serb village near Majevica and then launched an infantry assault on Serb positions. The East Bosnian Corps said the attack was repelled and the Serb side sustained no losses

Daily Flights by Enemy Helicopters Reported

AU3112101192

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian on 31 December carries in its 10-minute, regularly scheduled newscast several reports on the fighting in the republic.

Reporting from Tuzla, Salih Brkic says that "it is a quiet morning in the city. Last night the Mount Majevica Chetniks fired 82mm mortars from tanks, Pragas [type of antiaircraft gun], and heavy machine guns at the Tuzla defense lines. The response of the defenders silenced the chetnik guns at about 2230. As they tell us in the command of the Tuzla defense, flights by the aggressor's helicopters were again registered last night. There were four of them and they flew in the direction of Zvornik-Priboj-Brcko. Everyday flights by the chetnik helicopters are proof enough that the aggressor pays no attention to the UN ban on military flights over Bosnia-Hercegovina. The continuation of the ruthless offensive against Srebrenica also speaks of the trustworthiness of the Chetnik leaders and ideologists. The chetniks were firing at (Bric) in the Lukavac commune, and in the evening they fired several howitzer shells from (Tumare) at the town center. During the night, the chetniks shelled (Jukovina) from (Crkvina) with 120mm mortars."

An unidentified correspondent reports from Maglaj that "last night, the chetniks kept up the provocations with light and heavy infantry weapons along the entire defense line. No heavier fighting or attempts at infantry breakthroughs were registered in the region."

In his report from Olovo, Velid Dindo says that "yesterday, the town was the target of a savage onslaught by the chetnik artillery from the early morning hours until 2300. Tanks and 155mm mortars from (Reznik), (Brda), Krivajevici, (Kajetuh), and (Bilavica) pounded the town, the district of (Karabino Polje) and the villages along the Krivaja River. Since early this morning, explosions can be heard from the points of access to this town, which today is suffering a temperature of - 18 degrees Celsius."

The Zavidovici Press Center reports—via a bad connection—that "the chetniks have again been using 82mm and 120mm mortars against the town. From the well-known chetnik strongholds, the aggressor has been firing 105mm howitzer shells at (Rujnica), but all the defense lines of Zavidovici are stable."

Serbs Deny Air Activity

LD3012145492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1335 GMT 30 Dec 92

[Excerpts] Banjaluka, 30 Dec (TANJUG)—In the following statement today, the information office of the Air Force Command of the Army of the Serb Republic [in Bosnia-Hercegovina] denied reports on Croatian radio and television that aircraft of the Serb Republic have been active over the territory of Croatia.

"In compliance with the UN Security Council resolution and an order by the president of the Serb Republic, the Air Force of the Serb Republic has ceased all its activities and since the above resolution was passed has not made a single flight. This fact can be verified by UNPROFOR [UN Protection Force] observers who, in line with the UN Security Council resolution, have been stationed at our airports. A report about alleged actions by our planes over Nova Gradiska yesterday is part of Croatia's overall attempts to present the Serb side as an aggressor who deliberately violates UN Security Council resolutions. [passage omitted]

"Simultaneously with the Croatian media witch-hunt and lies about 'alleged combat flights by Serb aviation,' flights by Croatian planes from Zagreb and Karlovac to Cazin and Bihac happen almost daily. UNPROFOR observers have been informed about this on several occasions and it is a well-known fact, confirmed by UNPROFOR, that the Muslim side did not allow any inspection of the planes which flew into Cazin from Zagreb and Karlovac.

"Although the Air Force of the Army of the Serb Republic has strictly observed the UN Security Council resolution, we are aware that reports about alleged flights by our planes are part of a scenario drawn up a long time ago and being implemented in this space now, the Air Force command of the Army of the Serb Republic said in conclusion."

Water, Electricity To Be Restored to Sarajevo

LD3112101492 Zagreb Radio Croatia Network in English 0905 GMT 31 Dec 92

[Text] Fighting around Vogosca [Sarajevo district] is continuing as Serbian forces are attempting to retake previously lost positions in Zuc and Golo Brdo.

At the UNPROFOR [UN Protection Force] headquarters in Sarajevo, an announcement has been made to the effect that in the next 15 days the Bosnian capital can expect electricity. Water can be expected in some areas as soon as today, while the UNPROFOR will bring in from Kiseljak to Sarajevo some 60 cubic meters of wood, solid heating fuel every day.

Serbian forces last night attacked northern sections of the Mostar battlefield. The road linking Mostar/Sarajevo came under artillery fire as did the hydroelectric power station. Other battlefields in southeastern Hercegovina came under infantry fire, forcing the Croatian Defense Council and the Bosnian and Hercegovinian Army to return fire.

Karadzic Outlines Serbian Demands

AU3012194792

[Editorial Report] Belgrade RTB Television Network in Serbo-Croatian at 2030 GMT on 29 December carries a "special" 90-minute program prepared by Channel S of the Serbian Republic of Bosnia-Hercegovina, entitled "Contact Magazine—Open Studio" in which Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, is interviewed by Ilija Guzina. Viewers also telephone in with questions. The place and date of the interview are not given.

The program begins with Karadzic briefly explaining the military situation in Sarajevo by saying that "the Muslim offensive is under way in and around Sarajevo. In fact, we do not know when one starts and another ends. They are constantly trying to change something around Sarajevo. Their attack on Ilijas was fierce. However, our forces repelled it and improved and reinforced their positions. In Sarajevo, unfortunately, the terror of unprecedented dimensions and proportions is continuing. Serbs are being mistreated, detained, and killed. There are private prisons there, private brothels for the green berets [Muslim troops]." Karadzic also says that "the Muslim offensives" on Foca and Bratunac were repelled, and the Serbian army is "holding all lines firmly." He does not believe that the Muslim offensive in Sarajevo will succeed.

Commenting on the 28-December Geneva talks, Karadzic says: "It appears to me that what happened there gave rise to some hope and cause for some moderate optimism. The stands by Croatian President Tudjman are encouraging. They are taking into account the reality of what is happening in Bosnia-Hercegovina and the very nature of Bosnia-Hercegovina as the communist creation, a republic that was modelled on Yugoslavia, a republic that we called a miniature Yugoslavia for a long time, a republic that is unfortunately experiencing what Yugoslavia had experienced."

Karadzic says that, "judging by everything, the Muslim and the Croatian sides had agreed on some maps. However, at the next meeting it all failed. I must say that we were considerably alarmed by the fact that the Muslim-Croatian coalition was reinforcing itself under the auspices of the cochairmen in Geneva. We saw this as a bad sign. However, what happened is that the Muslim side probably went over the top with its demands for unitarianism of Bosnia-Hercegovina, and the Croats gave up the idea of having joint maps. This is very important for us. As I have already said, President Tudjman's stand is also important. It appears to me that the endeavor for a political solution prevailed at the conference."

Commenting on the future organization of Bosnia, Karadzic said that "it is impossible to create a Bosnia-Hercegovina as a state after Croatia and Serbian had been created. If we look at Bosnia's European look-alike, Switzerland, we should remember that some 700 years ago Switzerland had a civil war and that it was then that the Swiss confederation was created. This was before the national states of the French and the Germans were set up. Had strong national and united states, France and Germany, existed before that, Switzerland would have disappeared for sure. It is unlikely that it would have survived, because centripetal forces such as Paris and Berlin would have drawn their compatriots and tied them to themselves. This is happening to Bosnia-Hercegovina now, because it has as its neighbor a great and significant state of the Serbian people, Serbia. The independent state of Croatia is also being formed, and it is not likely that after the creation of these states Bosnia-Hercegovina could emerge as a new state." Karadzic holds a firm view that it is impossible to create a new "Bosnian entity."

Commenting on Lord Owen's remarks that it would be better to have several cantons in Bosnia-Hercegovina than three national communities, and a possibility that Lord Owen and Cyrus Vance [cochairmen of the Conference on Yugoslavia] may opt for something "in between," Karadzic says that the Geneva conference may come up with "a compromise" solution and "say there is not one Serbian canton but three, and that these three cantons make up a community, a constituent Serbian state." He holds the view that Serbs and probably Croats, too, want one thing, "namely that their communities in Bosnia-Hercegovina not be fragmented." According to him, "whatever happens, the

Serbs want one canton, or, if we are to make some compromises, perhaps a community of cantons that would in fact represent a Serbian state."

In a reply to a question of what "the minimum below which the Serbs would not go in the negotiations is," Karadzic says: "The minimum is that we want to be our own masters here. We want to be our own masters. We want to have our own administration, our assembly, our government, our presidency, that is our president, our own state, that is, a state unit. We will not allow the future of Serbs to be again tailored in some joint organ in Bosnia-Herc govina through majoritarianism."

Karadzic then goes on to say that "our aim is to either become a part of the union of Serbian states or to be an independent state. We do not particularly want to be an independent state if a union of Serbian states is possible now or in the near future. I personally think that no one has ever been able to divert such aspirations of one nation. We will always clearly say that we had accepted the external borders of Bosnia-Hercegovina under the condition of receiving internal borders but only under the pressure of the international community. This is not our political will, this was imposed on us. We thus reserve the right to join at some point in the future and in whatever way the union of Serbian states. In doing so, if this is possible at all as some kind of interim step or a compromise, we could have double ties, with Bosnia-Hercegovina, that is to say the Muslim and Croatian cantons, and with the Serbian states."

Karadzic says that the Serbs "will accept some kind of confederation only because of the international community and because of the obligations to the Lisbon document."

In a reply to a question on whether Serbs could be forced to be part of a unified Bosnia-Hercegovina with military intervention, Karadzic says: "They could only force us to go into a shelter, but not to go in a state with Alija [Izetbegovic]. We will indeed take shelter if some military intervention takes place, we will take shelter to suffer as little damage as possible. However, after shooting from the air, they would still have to come here with armed forces, land forces. I am not going to tell you how many fighters we have, but they would need 1 million fighters to force us to accept a state. This would be short lived and unsuccessful. This would fail."

In a reply to a question by a group of viewers from Smederevo of what his message would be to the Serbian people "in view of the increasingly frequent threats of military intervention and action against Serbs," Karadzic says: "We Serbs must show the international community that we are only demanding what is ours, that we do not want anything that belongs to other people, and that we will defend our state at any cost. Once the international community calculates this cost, it will abandon this idea, and it will begin to accept Serbs and Serbia as partners."

Answering a question from a viewer from Novi Sad on whether military intervention in Bosnia-Hercegovina is possible and what the reaction of the fighters of the Serbian Republic would be in that case, Karadzic says that "the fighters of the Serbian Republic would behave like fighters. This would not be the first military intervention against us. All wars so far have been military interventions. Considering the blood-thirstiness of a section of the U.S. Administration, the blood-thirstiness of Eagleburger, whom we will never leave alone because of what he is doing—he is looking for a business position with Arabs, since he is finished in politics, he is trying to promote himself in the Arab world, in business, which is catastrophic and criminal behavior that could lead the American people into trouble—we assume that bombing of some important targets here could take place, for instance, the airport in Banja Luka. However, we have taken all the measures against such things. If this happens, we will down some of them, too." Karadzic then corrects himself, saying that "we will shoot whatever aircraft we can." In his view "the people have a guaranteed right to self-defense, and the Serbian people will defend themselves. Neither me, nor anyone else has the right to obstruct them in this. Second, other types of military intervention, involving land forces will not take place, cannot take place, although I have doubts in the bombing, too. However, if it did take place, we would survive it. No one could deny us the right to self-defense."

In a reply to a question from a viewer from Belgrade whether Gradacac was part of the Serbian Republic, considering that no one had the opportunity to see "the proposed maps for the future territorial organization of the former Bosnia-Hercegovina," Karadzic answers that the question is difficult and that "we do not want to show maps that constitute working material," because this "could disturb some people and make the leave some areas. The message for Serbs is: They should stay where they live. We will do our utmost to make these areas part of the Serbian state. We do not have the right to give away any village to some kind of Muslim state if it can be part of the Serbian state."

In a reply to the moderator's question whether Alija Izetbegovic will "finally sit at the negotiating table and negotiate sincerely," Karadzic says: "I have spent two years negotiating with Mr. Izetbegovic. We never completed anything. Mr. Izetbegovic always thinks that what he achieved today is less than what he could achieve tomorrow. Then, tomorrow he goes back to the beginning and tries to achieve something that cannot be achieved. When he achieves 99 percent, he leaves things for tomorrow to achieve 100 percent. When he achieves 100 percent, he thinks that he was cheated by the Serbs and that he could have perhaps achieved 101 percent. No one will ever finalize anything with Mr. Izetbegovic. I think he can finalize something only under the pressure of the international pubic, which is fed up with the war, and does not want to run the risk of a world war. Third, I think that Mr. Izetbegovic or someone from the

Muslim leadership will do everything possible for the conference [on 2 January] not to take place. They will try to do something, they will do something bad to the citizens of Sarajevo. My message to the residents of Sarajevo is to take care when someone important comes for a visit."

In reply to the moderator's question whether "someone in the world, above all the United States and Bush's administration, gave a sign to Izetbegovic to insist on war," Karadzic says: "I do not know whether he needed a sign for that. He said that he himself has offered sufficient evidence that he is in favor of war. He said in the assembly that he would not sacrifice sovereignty for anything, and that he will sacrifice peace for sovereignty. He has indeed done that." In Karadzic's view, Izetbegovic has sacrificed many lives and the current ratio of those killed is "one Serb to 50 Muslims."

Answering a question posed by a fighter of the army of the Serbian Republic why "the Russian people have not been approached for help," Karadzic says: "The Russian people have been approaching us and offering us help. We are refraining from accepting volunteers from Russia, but if foreign countries continue to interfere, I believe that we would stop restraining ourselves and that many Russians would come to fight here. So far we have been doing our best not to contribute to the internationalization, although Russians come here as guests fairly frequently."

In the conclusion of the program Karadzic is asked by a viewer from Denmark whether the war will end. He replies by saying: "It will end within a week or two if the international community decides that it should end. It would be enough to tell Izetbegovic—they know what the Muslim side is doing, that it is the Muslim side that wants the war to continue—that he must stop fighting and return to the Lisbon document or some new agreement, and the war would stop. I think that the Croats are ready for the end of war. They have accomplished their 1,000-year-old dream. They have created a Croatian state through, unfortunately, misunderstandings with Serbs. This could have been achieved without these misunderstandings. Serbs are not opposed to a Croatian state. The Croats have a sensible state that could function well. Finally, Croats here in Bosnia-Hercegovina created their state primarily thanks to us, because we led the way in setting up of our own state. It is also thanks to their leadership, the part of the Croatian Democratic Community that was loyal to the Croatian people and not to Alija Izetbegovic. I think that the Croats are ready for peace."

Karadzic says that he is going to Geneva with "mild optimism," and that he hopes that an agreement would be reached with Croats on ending hostilities and ironing out differences over territorial disputes.

Karadzic Takes Issue With Serb NonInvitation

LD3012230092 Belgrade TANJUG Domestic Service in Serbo-Croatian 2129 GMT 30 Dec 92

[Text] Geneva, 30 Dec (TANJUG)—Serb Republic President Radovan Karadzic sent a letter today to Cyrus Vance and Lord Owen, cochairmen of the international conference on former Yugoslavia. In his letter, Karadzic drew attention to the fact that the Serb side had not been invited to attend the preparations for the meetings scheduled to take place on 2 January in Geneva.

Having stated that talks between the Muslim and Croatian sides were organized on 27 and 28 December in Geneva under the aegis of the two cochairmen and within the framework of the working group for Bosnia-Hercegovina, Karadzic stressed in the letter that it was vital to invite the third side if there is good will to seek a political solution which would in a just way take into account the historic and national interests of all sides in the civil war in Bosnia-Hercegovina.

Without ruling out the possibility of seeking a solution through bilateral talks, Karadzic expressed surprise that the Serb and Croatian sides had not been invited to work on a joint platform, since it was a well-known fact that both were prepared to hold bilateral talks and show understanding.

"We are proposing that bilateral talks between all sides who are prepared for these talks—and not just between two of them—be organized within the framework of the peace conference," the letter states.

Prime Minister's Message Envisages Liberation

AU3112141092 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 31 Dec 92

[Text] Mile Akmadzic, prime minister of Bosnia-Hercegovina, has sent out New Year's greetings on the behalf of the government.

On the behalf of the Bosnia-Hercegovina Government and myself, I wish all the citizens of Bosnia-Hercegovina a happy new 1993. I wish to congratulate all the citizens for the persistence, endurance and courage they have shown during this past year. Congratulations and best wishes are equally due to the citizens of the besieged cities and towns, and those who have successfully repelled the aggressor and liberated their regions.

I particularly wish a happy New Year to the brave defenders of the independence and sovereignty of Bosnia-Hercegovina, to the members of the Bosnia-Hercegovina Army and the Croatian Defense Council. I hope that, through joint efforts in this coming year, we will manage to liberate the entire country. We will try and do so through political means but, if forced, then we will liberate the country by military means.

I hope that the Republic of Bosnia-Hercegovina never again sees a new year in a state of war. May peace and

unity be the foundations for our future, says the New Year's message from Prime Minister Akmadzic.

Serbs Reportedly Mobilizing 'High School Children'

AU3012160792

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1400 GMT on 30 December carries in its regular 40-minute newscast several reports on the fighting in the republic.

The studio announcer says "the successes of the Bosnia-Hercegovina Army and Croatian Defense Council on the Doboj-Tesanj- Maglaj front, where the chetnik losses amount to some 700 dead, have caused total disorganization and chaos within the military and civilian authorities in Doboj. The civilian authorities do not actually exist anymore as the entire life is subjected to the whims of the notorious Colonel Slavko Litica. To keep complete control over Doboj, Litica has brought in specially trained and well-paid militiamen who terrorize the local population. The Serbian population has recently come under attack as they have begun en masse to reject everyday mobilization. Evidence of the extent of repression is in the fact that some 380 disobedient Serbs are kept imprisoned in the camp (?Gare) near Doboj. This information comes from the Bosnia-Hercegovina Ministry of Internal Affairs."

An unidentified correspondent from Tuzla reports that "the Serbian aggressor and the Yugoslav Army have been bringing in heavy reinforcements to Bosnian Posavina, particularly near Brcko and Gradacac." He says that "in the occupied territory of Bosnian Posavina, the chetniks are yet again conducting a forceful mobilization of high school children. As we learn from the intelligence services of the Bosnia-Hercegovina Army, this mobilization, just like all the others, has been a total failure."

The Tesanj Press Center reports on that "provocations from 82mm mortars and infantry weapons intensified in the early morning hours. The state of general alarm has been in force for some time now."

The Teslic Press Center reports that "the offensive against the free Tesanj territory is continuing with undiminished force. The villages of (?Kalosevic), (?Gora), (?Slanje), and Mrkotic have seen the heaviest shelling."

In his report from Sarajevo, Mladen Bosnjak says "the chetniks are occasionally shelling Sedrenik, Gazin Han, Brekin Potok, and Breka. The aggressor has been opening with sporadic fire from infantry weapons at Hrasno Hill, and is also using the so-called sower of death. The enemy snipers are active at the well-known intersections."

Mostar: From 'Mixed Marriages' to 'Mixed Graves'

93BA0354A Belgrade BORBA in Serbo-Croatian 2 Dec 92 p 13

[Interview with Mostar representative Radmilo Andric by Branislav Gulan; place and date not given: "A City of Mixed Graves"]

[Text]*Mostar has been "liberated" by three armies, and all three systematically destroyed and vandalized it, so that today it looks worse than Sarajevo and only Vukovar is equivalent to it; the number of casualties will never be known; graves are located everywhere in the city; Serbs, Muslims, and Croats are buried together.*

Bloody rains are falling this fall in Mostar. Even the Neretva is bloody. The city is reminiscent of Vukovar. There is not a single building in it that has not been hit by a shell, and there is not one window that is whole. The only things that are whole are the smokestacks that defy time like monuments.

Mostar was "liberated" by three armies, and all three destroyed it. Even today the city is a target for attacks and constant destruction by the army of the Serbian Republic [of Bosnia-Hercegovina]. Even now it is being hit almost every day from the surrounding hills. Before the war Mostar had 130,000 inhabitants, of whom about 50,000 were Serbs. It was a city of mixed marriages—Serbs, Muslims, and Croats—but today it is a city of mixed graves.

"To the best of my knowledge, there are still about 30,000 people in Mostar, once again Serbs, Croats, and Muslims, who did not have anywhere to go. They are mostly capable of working and fighting, but there are also old and exhausted people. Mostar could be my and our city once again tomorrow, however, if this tragedy stops. The end seems to be in sight.

All Are Suffering

We were told this about Mostar yesterday, today, and tomorrow by Radmilo Andric-Braca, a person who has been everything in Mostar, from mayor to deputy in the Yugoslav Assembly. Today in Yugoslavia he is seeking assistance for the residents of Mostar, those who are left there, but also for the refugees who are waiting to return to their homes.

[Gulan] How did it start, and could Mostar have defended itself differently?

[Andric] As many as 50 percent of the marriages in Mostar were mixed before the war. My entire family is from mixed marriages of Serbs, Croats, and Muslims, even my closest relatives. The people did not want war. It was created by hotheads. It did not all start suddenly, however. We see now that it was prepared for a fairly long time, and that hatred was sown against everything that is Serbian and Yugoslav. The scenario was prepared

in Croatia, and supplemented and supported in Sarajevo. First monuments were mined, and then flyers were distributed summoning Croats and Muslims to fight against the Serbs. Then the JNA [Yugoslav People's Army] was driven out, and then Croatia committed aggression and founded the HVO [Croatian Defense Council]. The Serbs were subjected to constant mistreatment, persecution, torture, and killing. Women were raped in the Dretelj prison, and ethnic cleansing was carried out in villages from Capljina to Konjic. Thirty villages were burnt and sacked. What is happening now is only a continuation of the Serbian exodus that started back in 1941, when 8,500 Serbs were killed in this area. Now everyone is suffering. All of us together, however, primarily the intellectuals of Mostar, tried to defend it, but we did not succeed. Thus, a peace council composed of people of all nationalities, prominent citizens of Mostar, was formed immediately at the start of the war. We wanted to prevent this disaster. The violent people, however, decided to achieve some better future by killing and destroying the city. The peace council included Vlado Smoljan (a Croat), Avdo Zvonic (a Muslim), and many others. We were helpless, however. Up until the beginning of the war there was no religious and national intolerance in Mostar. That is still the case today among the people. We all fled to save our lives from the violent ones.

We Did Not Look at Who Was Who

[Gulan] What does Mostar look like today?

[Andric] The city has been "liberated," i.e., destroyed, by three armies. Today it looks worse than Sarajevo; only Vukovar is equivalent to it. It is the culmination of vandalistic devastation and organized destruction, which is not a consequence of the conduct of military operations. For example, as many as seven bridges were destroyed in one four-kilometer stretch. The Serbian Orthodox Church, the biggest and most beautiful in the Balkans, was destroyed after "liberation" with two tons of explosives. The mausoleum shrine in Prebilovci was also destroyed in the same way. The same fate overtook the monastery in Zitomislic, the old church in Mostar itself, and about 10 towns nearby. Even the shrine of the grave of Osman Dzikic, a Muslim poet, was mined, and 10-12 mosques in the city were destroyed, along with a Catholic church that was leveled to the foundations. The bishopric, the bishop's residence, and the Franciscan monastery were also mined. All of that, however, happened after the "liberation" of the city. It was all done in an organized manner, and it represents vandalism.

[Gulan] How many human casualties were there in Mostar?

[Andric] The number will never be known. There are cemeteries everywhere in the city. People were buried wherever they ended up, because it was impossible to reach a cemetery when there was constant shooting, both nearby and in the city itself. I know for certain that the park in the very center of the city, on Sava Kovacevic Street, is full of graves. There is no longer a single free spot in it where someone might possibly be buried. This means that there are several hundreds of victims of the war in this place. Serbs, Muslims, and Croats were all buried together. Now they have peace together. Every courtyard is also a mass grave. Also, every house that had a garden now has several graves. Neighbors buried neighbors. We did not look at who was who. I myself took part in several such burials. I would have been in one of those graves myself if I had not been warned by people who knew me, including Serbs, Croats, and Muslims, that it would be best for me to hide.

[Gulan] Is there any end to this destruction, and will there ever be any coexistence again in that city on the Neretva?

[Andric] The destruction is still going on, but there is somewhat less than before. Now it is being destroyed by the Serbian Republic's Army. I have the impression that the rage against the Serbian population is also subsiding. It is as though people's awareness is changing, and a feeling of repentance and fear over what has been done is appearing. Probably the fighters have realized the full senselessness of what they are doing. The latest news I have is from a few days ago. My old mother, Dariaka Andric stayed in Mostar, and my sister Radmila along with her. They wrote me that their best friends were helping them to survive—two Muslim families and one Croatian family. They are being fed by Rabija (I do not know the surname) and Beso Mesihovic, as well as the Croatian Ivankovic family. These examples indicate that there are also normal people for whom nationality is not the most important thing. Here in exile we have also founded the Aleksa Santic Association of Mostar Residents and Friends of Mostar. We are waiting for the madness to stop so that we can live in our city again.

Both we here and the people there, however, need assistance to survive the winter. I am therefore proposing that we arrange for assistance to be sent and carried to Mostar, with an UNPROFOR [UN Protection Force] escort, because the Serbs, Croats, and Muslims all need it.

Bosnia Serb Leaders Leaving Serbia

93BA0401D Split SLOBODNA DALMACIJA in Serbo-Croatian 23 Dec 92 Europe Edition p 32

[Article by the Croatian News Agency: "The Criminals Are Fleeing to Serbia"]

[Text] Sarajevo—"In recent days, a majority of the organizers and inspirers of the war in Bosnia-Hercegovina [B-H] are in panic, sending their families and belongings to Belgrade, Serbia, and abroad," says a report made public on Monday by the B-H MUP [Ministry of Internal Affairs], referring to the data and evidence of its security service.

The report says that Radovan Karadzic [Serbian Republic of Bosnia-Hercegovina president] long ago

moved his children to Belgrade, while Nikola Koljevic [Serbian Republic vice-president] and Velibor Ostojic also sent away their sons so they would not be mobilized. It adds that Karadzic, Koljevic, Buha, and other leaders of the so-called Serbian Republic are housed in Belgrade, that is, they come to meetings in B-H. Much the same is the case, it goes on to say, with the officers of the so-called Serbian Army in B-H, an ever greater number of whom are seeking transfers to Serbia and Montenegro.

"Having learned of the behavior of their political leaders and military commanders, more and more of those who have committed war crimes and genocide are leaving for Serbia and Montenegro," states the report of the B-H MUP, adding that Jovan Tintor has fled to Arilje, Danilo Veselinovic to Pancevo, Radomir Prodanovic to Novi Sad, Dragan "Ali" Borovcanin, Momo Stanic, Veselin "Batko" Vlahovic, and Dragan Dovodlaka to Belgrade, Mirko Ostojic to Serbia, Ratko "Trifko" Adzic and Rodoljub Radic to Sabac and Belgrade, where they have set up family houses from stolen property. The B-H MUP says of Slobodan Skipina, Dragan Kijac, and Goran Radovic and Toma Kovac, Petko Budisa, and Tihomir Glavas, police chiefs in Ilidza, that they have fled to Bijeljina.

"All these criminals, butchers, and notorious chetnik commanders have taken their families with them and carried away stolen money," says the report of the B-H MUP, which also appeals to what it refers to as the "seduced segment of the Serbian population in B-H," whom these criminals have left in B-H, calling upon them to make further sacrifices and denials. "They are asking them to thrust their own sons, brothers, and fathers to a certain death. They are giving you false assurances that you are within reach of a great victory and that you need to make only a bit more effort, but that little is just enough for you to lose your head. They are calling upon you to continue firing on your neighbor Croats and Muslims. They are calling upon you to capture more land, but they have cut off your electricity and telephone service, so that you are not receiving the condemnations of their crimes from the United States and Europe," runs the message of the B-H MUP to the "seduced segment of the Serbian population in B-H."

Butrus-Ghali, Vance Leave Split for Sarajevo

LD3112114192 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 31 Dec 92

[Text] UN Secretary General Butrus Butrus-Ghali and Cyrus Vance [Conference on Yugoslavia cochairman] have left Split for Sarajevo. At Split airport they were met by UNPROFOR [UN Protection Force] Commander Satish Nambiar who left with them by plane for Sarajevo. At Split airport, Butrus-Ghali said that he was going to Sarajevo to express solidarity with the population of the city and its suffering and to wish UNPROFOR units there a happy new year.

Asked by journalists if he was to meet Alija Izetbegovic and perhaps Radovan Karadzic in Sarajevo, Butrus-Ghali said that he was going to talk to them in Geneva and that he expected the Geneva talks to come up with a political solution to the crisis in Bosnia-Hercegovina and that the negotiations so far had provided grounds for optimism.

As announced, Butrus-Ghali, Cyrus Vance ad Satish Nambiar will return from Sarajevo to Split at about 1700 this afternoon.

More Bosnian Refugees Arrive in Zagreb

LD3012124992 Zagreb Radio Croatia Network in English 0905 GMT 30 Dec 92

[Text] Another 829 Croats and Muslims from Bosnia arrived in Croatia last night. The first convoy of 320 refugees crossed the Sava River at Bosanska Gradiska, about one third will remain in Croatia. The second group, from Sanski Most, is destined for Switzerland.

Government Endorses Stabilization Program

LD3012145792 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 30 Dec 92

[Text] The final version of the stabilization program foundations, which were today outlined by Premier Hrvoje Sarinic before the Croatian Assembly's Chamber of Deputies, was also endorsed by the Croatian Government at its session this morning. The main objectives of this macroeconomic proposal are to stabilize prices, to revive economic activity, and to improve social welfare. Closely linked is also the need to create conditions to overcome socialist legacies and to transform Croatian economy into a modern, effective market economy. At its session the Croatian Government also discussed a number of draft laws to be submitted to the Assembly and endorsed replies to a number of questions by deputies.

Drafter of Croatian Constitution Interviewed

93BA0401C Zagreb NOVI VJESNIK in Serbo-Croatian 22 Dec 92 First Edition p 12

[Interview with Vladimir Seks, deputy prime minister of the Republic of Croatia, by Aleksa Crnjakovic; place and date not given: "'Tomac, Letica, and Kramaric Are Wrong'"]

[Text] *Discussions of the Constitution are not ceasing even today, two years after its adoption. What is more, again there are reminders as to the way it was adopted, criticism is not uncommon, and the connection is made with the current war. What does one of its authors, Vladimir Seks, think about this?*

[Crnjakovic] Because you are a key man when it comes to drafting the Constitution, what do you say about the criticism coming from people who have in one way or another taken part in the government, according to whom the drafting of the Constitution was followed by "conceptual warfare," that is, that fierce political struggles were waged?

[Seks] No political struggles were waged at all, nor were there conceptual differences. It should be realized who adopted the Constitution. It was adopted by the HDZ [Croatian Democratic Union]. People often forget that the fundamental principles of the Constitution had been set forth back in the "Lisinski" auditorium and that they were later incorporated into the draft and final text of the Constitution. So, the draft of the Constitution was based on the views of the HDZ that had already been established concerning the complete design of the government.

[Crnjakovic] You mean that all the issues had already been defined both concerning the choice of the makeup of the government and the organizational form? Some people say that there were dilemmas as to whether Croatia should be organized as a civil or ethnic state, with a parliamentary or semipresidential system, that there were even attempts to eliminate Croatia as an antifascist state.

[Seks] That is all stupid. I have said that there were no such dilemmas. When the Assembly of the Republic of Croatia adopted the methodological premises and political and legal principles for the drafting of the Constitution, which were expressed in the detailed presentation of Dr. Tudjman, the Constitutional Commission of the Assembly, which had been formed earlier, knew those fundamental principles, so that the draft of the Constitution did not undergo any very essential changes right up until adoption. Therefore the self-advertising statements being made today by Letica and Tomac [former deputy prime minister] are simply inaccurate. Those people were marginal in the drafting of the Constitution. They had no very essential role whatsoever in its adoption. To be sure, Dr. Tomac was a member of the Constitutional Commission and of the smaller working group which I headed, but that group only put the final touches on principles that had already been established earlier. And now Dr. Tomac presents himself in his book as the key creator of the Constitution, and Letica is making it up as he goes along. Letica's statements are inaccurate, they are the result of the injured vanity of a "jilted woman," of a person whom the president thanked for offering "intellectual services."

[Crnjakovic] What do you say to the assertions that the Constitution bears some of the responsibility for causing the war?

[Seks] There was no dilemma at all about whether Croatia should be organized as an ethnic and antifascist state. Only the Yugoslavs, the members of the SDS [Serbian Democratic Party], the members of the UJDI [Association for a Yugoslav Democratic Initiative], and renegades from Croatism favored a pure civil state, whereby they fitted perfectly into what Milosevic [Serbian president] was saying at that time: "One man, one vote." People today forget what the reality was then, that Croatia was still within the framework of Yugoslavia. Those marginal figures had no opportunity in any way to influence the drafting of the Constitution. After all, the Croatian people did not elect them Assembly representatives, nor did the Croatian people place any confidence in them. And now some people, Kramaric [Osijek mayor], for example, are saying that they have fallen from Mars, forgetting, not realizing, the historical circumstances Croatia was in at that time. They do not realize that this Constitution of ours does not negate the civil state, it is not in conflict with the original foundations of Croatia as an ethnic state. After all, one does not erase the other. The critics, who actually are irresponsible people, which is what I think Kramaric is, would be right if the Constitution said that Croatia is exclusively the ethnic state of the Croatian people. However, there is not a period after that clause, but it goes on to say that Croatia is also the state of members of other nationalities and ethnic minorities, and in the normative section of the Constitution it is even defined precisely as the state of all the citizens, who are completely equal, regardless of race, religion, or nationality. It is thus a malicious and inaccurate assertion—one that plays into the hands of the Serbian expansionists—to say that the Constitution is one of the causes of the war. In that way, the Serbs justified their aggression against Croatia and the armed rebellion, falsely stating that they had been left out of the Constitution. And now some people are advocating a revision of the Constitution! That would supposedly eliminate the cause of the war between the Croats and Serbs as though this were a civil war, not an aggressive war, a war for foreign territory. The Christmas Constitution was not the cause of the war, those are malicious imputations. With that kind of imputation, Kramaric is giving Milosevic and the participants in the Serbian rebellion in Croatia the strongest "evidence" that they were right, and this is extremely irresponsible babbling. Nor are matters helped by the subsequent exclamation that he "had something else in mind." Irresponsible word play of an infantile person is very dangerous, not for him, but for his state.

Foreign Minister Speaks at CSCE Meeting

93BA0387A Ljubljana DELO in Slovene 15 Dec 92 p 6

[Unattributed article: "The Strength of the Balkans and the Weakness of Europe"]

[Text] Stockholm, 14 Dec—At the third ministerial meeting of the Conference on Security and Cooperation in Europe [CSCE], Slovene Foreign Minister Dr. Dimitrij Rupel first spoke to those assembled about the suffering and atrocities that are occurring in Bosnia and about the dying in Somalia, and then, among other things, said:

"It is the end of the bipolar world, i.e., the world that we were accustomed to color in black and white, that we were accustomed to divide into Western and Eastern parts, and that was the world of communism and capitalism. When communism was defeated, a 'horror vacuum'" appeared; the fabric of the modern world gave way; not only eastern societies from Pyongyang to Belgrade found themselves in difficulties, but also all parliamentary democrats found themselves in uncertainty.

"The greatest concern of the Western world, it seems, is devoted to the fear that the Eastern world may suddenly and finally collapse, and that the unforeseen explosion may cause a chain reaction in the vicinity of Western borders. The West is afraid, and it is improvising resistance to having inconvenient refugees from the East come to the warm hearths in Rome, Paris, London, Bonn.... It is a story of new nationalism and new instability in the heart of Europe.

"In that situation Europe needs internal discipline, a new order that will be based on the awareness of a common European destiny. The new order, which we have been painfully and very slowly establishing from the first meeting in Helsinki, through Paris, Helsinki again, to Stockholm today. Regional conflicts like the war for Bosnia-Hercegovina are a challenge to Europeanism as such.

"The situation in Bosnia-Hercegovina is extremely critical: The Serbian aggression is continuing with virtually unabated violence; war, cold, and hunger are taking their deadly toll, with over 128,000 dead, 170,000 missing, and 300,000 wounded.

"Bosnia-Hercegovina's capital, Sarajevo, is just facing final occupation by Serbian units; the city is a concentration camp. Sarajevo has become a symbol of the defense of Bosnia-Hercegovina, and its fall would mean the end of Bosnia-Hercegovina as a state, and would launch an unstoppable avalanche throughout all of the (southern) Balkans.

"Bosnia-Hercegovina as an independent, sovereign, internationally recognized state, a member of the United Nations, is being completely liquidated. The Muslims, a constituent people of Bosnia-Hercegovina (before the war they represented 43.8 percent of the total population) are facing physical destruction, and the territory that they are still defending no longer exceeds 10 percent of Bosnia-Hercegovina's territory.

"The Serbian war of conquest has so far caused the emigration of over 3 million people (3,065,000).

"The battle in Bosnia-Hercegovina is completely unequal: The aggressor has an enormous volume of modern military equipment, and the defenders (the Muslims) have been prevented from obtaining even limited armaments.

"In such a situation it is necessary to establish immediately safe areas in Bosnia-Hercegovina, for which the UN peacekeeping forces would have to have a mandate to use force. Compared to the humanitarian operation in Somalia, this is more than just a moral obligation for the international community and the United Nations. It is an extreme political necessity, if we do not want to be jointly guilty for the 'final solution to the Muslim question in Bosnia-Hercegovina.'

"There are political leaders in Europe who do not accept the fundamental principles of the CSCE. In this regard, of course, I am thinking primarily of the Serbs. It would actually be possible to tell the entire story of the Balkans in the language of the Helsinki and Paris CSCE documents. When they violate the rules of the CSCE, those political leaders refer to the fact that several other peoples have violated CSCE principles. The sensitive point in that reference is the protection of minorities.

"More than ever, Europe today needs two concepts:

"One: a concept for the unification of Europe as a whole (while abandoning the concept of "Fortress Europe");

"Two: and a concept for a system of sanctions against conduct that violates CSCE principles and values.

"A system of sanctions is only possible if Europe is a unified zone, and if it is not possible to say, oh, that is happening there in the Balkans, where the world is different. That difference, finally, can be used to explain the violations of the embargo by other countries, etc. If the Belgrade regime does not want to abide by the rules, then it is high time for Europe and the CSCE, and also the UN, finally to demand that Serbia abide by the rules without delay, and if it refuses, as it has so many times, they should ensure it through measures, as in Somalia."

Slovene Delegate Views Yugoslav Succession Talks

93BA0355A Ljubljana DNEVNIK in Slovene 3 Dec 92 p 3

[Article by Robert Mecilosek: "Will There (Not) Be Much of an Inheritance?"]

[Text] *Negotiations over the Yugoslav succession are continuing in Geneva; it seems that there are still least difficulties with determining the former property of the JA [Yugoslav Army].*

Ljubljana, 3 Dec—In the shadow of the bloody events in Bosnia-Hercegovina, negotiations are taking place in Geneva over the Yugoslav succession. It is long and complicated work, since the negotiators have to agree on numerous unresolved issues that came to light after the collapse of Yugoslavia. Although it was already clear in advance that the discussion of the succession would be complicated, the old Yugoslav disease also came to light in these negotiations when attempts were made by various more or less adroit moves to delay reaching an agreement in every way possible. Dr. Miran Mejak, the head of the Slovene delegation at the Geneva negotiations, is consequently justified in warning:

"Above all, Serbia and Montenegro are not showing much interest in agreeing on any of the unresolved issues, and are trying to return everything to the starting point."

In spite of everything, Slovenia has a certain advantage in this negotiating work, since the government has skillfully planned its negotiating strategy, and even before this our country had settled several details in time that other republics are just taking up at their negotiations. There is a lot of talk in Geneva now about citizenship, which from Slovenia's viewpoint is an obsolete issue, since by using European standards we succeeded in regulating citizenship for most of those who expressed a desire to remain in Yugoslavia after the collapse of Yugoslavia. In this regard, the issue of the Slovenes who live in other parts of the former Yugoslavia is now open. Dr. Mejak emphasizes:

"It is also in our interest for foreign citizens from the territory of the former Yugoslavia to have preferential status, since we will also be able to achieve the same thing for our people who live in the former Yugoslav republics. In practice, this would mean that GATT provisions would also be applied, and in the case of the Slovene owners of weekend cottages in Croatia this would mean that in no case could they be in a worse position (with respect to taxes as well) than Croatian owners."

Serbia's representatives are now also insisting on the issues of work permits, which is a settled matter for us anyway, but it will be a topical one in settling things between Serbia and Croatia, where there will be even more difficulties with the property of private individuals and enterprises that has essentially been confiscated on both sides with various explanations. It is already obvious, however, that the Croats and Serbs will certainly try to settle some issues bilaterally through dual citizenship, which may complicate the negotiations considerably.

Without Illusions About the Refugees

The negotiations in Geneva are certainly also taking place in the shadow of the refugees from Bosnia-Hercegovina. What sort of traps does the present situation conceal? "A considerable number of the refugees will not want to return home, and we have to act in a decisive and organized manner in this regard, since it would be worst of all if some people were given the illusion that they could get citizenship. The boundary between economic and political refugees is clear; if we agreed to it, it would mean indirectly mean that we are supporting ethnic cleansing in Bosnia-Hercegovina. I think that the Slovene government is undertaking good measures in this regard, since it is insisting upon internationally recognized criteria for similar situations." The progress of the negotiations to date also indicates numerous other traps and blunders, especially for those who are convinced that we will quickly obtain part of the legacy of the collapsed state. Within the framework of the London conference, to be sure, it was decided that during the first phase they would not resolve the issues of war damages, but there is an increasing desire to settle those damages from the joint property as well. Slovenia is firmly against such an "understanding" of these negotiations, but the final answer to this question depends primarily on the Serbs and Croats. If it were to happen that they mutually agreed that they would also settle part of the damages in this manner, this will certainly have consequences for Slovenia and Macedonia, which at this time are actually the only ones thinking otherwise, that military damages should only be discussed during the second phase. For Slovenia, another trap that is also associated with the refugees is relevant in this regard. Some EC countries think that part of the costs of supporting refugees should also be settled from the legacy, and in that scheme it is naturally questionable whether the former Yugoslav republics will be able to divide anything at all—except for the debts, of course.

One Hundred Billion Dollars in Military Property

It seems that at this time there are still the least difficulties in determining the former property of the JA. This has to do with a value of $100 billion (an estimate from December 1990), which is a completely relative figure, since much of the equipment is completely obsolete, and there are also underground warehouses, airports, navy bases do not have any concrete value for most of the successors, except for Croatia and Montenegro. The EC also does not agree with the proposals that international experts should prepare an estimate of the value of the real estate of the JA and the former federation. It is advocating only some sort of general estimate. The figures regarding the former state's foreign debts are clear, and the only exception is the so-called unidentified debt, which according to Slovenia's estimate is at most $2.4 billion, but how the successors are to divide that unidentified debt is also still an unresolved issue. Some people are proposing a division according to the number of inhabitants, which would be relatively favorable for Slovenia, but the other possibilities are unfavorable for us. These have to do with a division based on the criteria of the social product or exports, in which Slovenia, which has always had a considerable advantage over the others, would now have to assume more of the debt for that reason....

Carrot and Stick Policy?

The work of the Slovene delegation in Geneva is favorably assessed, because it is well-prepared for the negotiations, which does not apply to the others. This alone, of course, is not enough, since awkward shadows are hanging over the negotiations, which we can also call the interests of foreign creditors. Dr. Mejak warns of the following: "The worst possibility would be if we did not agree on the vital issues and the creditors united and forced repayment of the debts. This can lead to unpleasant situations, since in this regard we already have the example of the Czech Republic and Slovakia, which supposedly agreed on the slightest details of their mutual obligations. It seems to me, however, that this is not the right comparison." In the background of these negotiations another process is taking place, which also indicates the interests of large transnational companies which are pressuring the EC to "bring us to our senses" and somehow force us into some form of unified market on the territory of the former Yugoslavia. EC Secretary General Jacques Delors has already mentioned in this regard the possibility of preparing a new conference on this subject next year. The already known policy of a conference and a stick is to be used here as well. In conclusion, we can note that it is vital for Slovenia that people primarily work pragmatically at the Geneva negotiations, even if it turns out in the end that debts are all that remain from the legacy. "In the long run, the most important thing is probably that we have withdrawn from the Balkan cauldron," emphasized Dr. Mejak. "In spite of all the pressures, Slovenia should not assume any new risks with respect to European plans for any sort of renewal of the Yugoslav fairy tale!""

Federal

Panic Calls Ouster 'Shameless' Act

LD3012181492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1359 GMT 30 Dec 92

[Text] Belgrade, 30 Dec (TANJUG)—Ex-Federal Prime Minister Milan Panic told a news conference held in the Palace of the Federation in Belgrade today, that as of yesterday his government "with him at its helm, will act in line with the Constitution and stay on" until a new government is constituted.

In a statement for the public, Panic said this year was very difficult for the country and one cannot expect next year to be much better.

From mid-July, when my government was elected, it and I have faced up to very difficult tasks, the most important one being lifting the sanctions, Panic said. He assessed that he and the government were elected at one of the most difficult moments for the country and people in their entire history.

"The state was not recognized, and the people had a noose around their neck. The grave and unjust sanctions hurt most of all the poorest strata, and not the politicians against whom and because of whom they were introduced. The economy was in a sorry state, and inflation inevitably rose and reached 20,000 percent, a world record. The government and I invested great efforts to improve the situation. I do not know what was more difficult for us: sanctions and the objectively difficult situation or the resistance by the forces which led the country to collapse," Panic said.

According to him, the Serbian Government has behaved and is behaving as if it stands at the summit of power and as if there were no federation. Using the old communist methods in the economy and toward the federal authorities, it has been dragging and is dragging the country and the people into the abyss, he stressed. "It has been and is solving economic problems by printing more money. Now, when it has won these dishonest elections, the practise of bribing workers will gradually have to stop," Panic said.

Panic said the federal parliament is composed of a coalition of former communists and chetniks in which the Socialist Party of Serbia and the Serbian Radical Party have the main say. When they realized that the government wanted to create a modern society and economy for the 21st century, their main task became to topple it. Over the past five months the federal parliament did nothing other than disrupt the work of the government, Panic said.

"Instead of being the protector of lawfulness and constitutionality, the parliament turned into a place where the Constitution is violated. Yesterday's no-confidence vote and appointment of a caretaker government is the grand finale of a shameless violation of the Constitution. Under the Yugoslav Constitution the outgoing government remains in caretaker office until a fresh one is elected. My government will adhere to the Constitution and will continue to perform its duty, with me at its head, until a new government is elected," Panic said.

As of yesterday, the former prime minister underlined that "horrendous, monstrous lies were said against his government and himself personally, adding that it is a medieval policy in which the end justifies the means, a policy of darkness and toying with the destiny of people, nations, and states."

Recalling that accusations regarding his huge travel expenses were presented yesterday, Panic said that only three or four bank statements on money transfers which had nothing to do with him were presented. It was not shown anywhere how much money was spent and how much returned.

"The public was not informed that I did not have only three or four trips, but 35. It was not said that I myself paid out incomparably greater sums of money both for air tickets and for the accommodation of delegations. These critics know that quite well, but lying is their truth. They did not mention those delegations comprising dozens of people that went to London and elsewhere by special planes," Panic said.

To the accusations that he leaked an army secret by showing a missile base in Kosovo to foreign journalists, Panic replied that this assertion is a great shame because as defense minister he never visited a missile base in Kosovo.

"They accused me of sending letters abroad in which I asked for help in the elections. Of course, since July I have been sending letters and having talks throughout the world asking for help, the abolition of sanctions, for democracy which cannot develop under foreign pressures," Panic said.

According to Panic, the sanctions suit his critics. "They say that it is only now that we can see what we can do in our industry. They do not see the sadness and misery of the people around them. Bankrupt enterprises are proclaimed champions. They are finding oil and taking photos at its lavish wells. They encouraged profiteers and brought oil reserves ahead of the elections, but immediately after the elections the lines are even longer than before. They speak of dignity while bringing the worst disgrace in its history on the country and its people. They have been teasing the world to carry out military intervention instead of doing everything in the sphere of diplomacy to avert it. They have labelled my peace efforts, and not only mine, a betrayal. They have betrayed the national interest," Panic said.

Panic said he was accused because of his attitude toward Serbs outside Serbia, although his stand was clear and, as he put it, fully in favor of all Serbs outside Yugoslavia and in the Krajinas.

"They have betrayed those Serbs, and now when they have put them in a difficult situation, they want to blame someone else. The current desire for military intervention is the greatest betrayal of Serbs in Bosnia-Hercegovina and in Krajina. If there is military intervention in Yugoslavia we will have to deal only with our sorrows, and they will be left at the enemy's mercy," Panic said.

They do not want to see the dangers lurking in Kosovo, and with this policy, Panic said, they are taking horrendous risks.

According to Panic, his critics have based their rule on deceptions, lies, promises, and speculations. "They have become war profiteers, many of whom have amassed personal fortunes at the expense of the people, and peace and stability do not suit them."

According to him, his critics prepared well for the elections and devised an illegal scenario in which they could not lose. "Despite all irregularities, they could not but allow me to claim 1.5 million votes, and on this account, I as an individual received more votes than the whole of the ruling party or any other party," Panic added voicing his conviction that he "is going to witness their true and not political replacement." [sentence as received]

Although under pressure both in the country and from abroad, I will do everything humanely possible to avert Western threats to tighten the noose and to attack us, Panic said, stressing that he already did that in the middle of the year.

He voiced the hope that intervention will not occur and that reason will prevail which, in his view, is in the interest of the country and of the people but not in the interest of those issuing threats. Also, it is in the interest of peace and, maybe, of the entire world, he added.

I will work for peace, Panic concluded, expressing the conviction that he will succeed in this sooner or later.

During the question and answer part of the news conference, Panic said that at its session this morning the government assessed that yesterday's decision by the Chamber of Citizens to appoint the acting federal prime minister was unconstitutional. He underlined that Yugoslav President Dobrica Cosic attended the government session and that Cosic lent his full support to the government. You should ask Cosic why he did not react to the unconstitutional Assembly decision, Panic added.

Asked whether he will be staying in politics, Panic said that the 1.5 million votes which he gained in the elections put a great moral responsibility on him. Recalling that Cosic invited him to form a government, he said that he did not seek the job of prime minister, but now "I do not want to run away." After the promises I made to the people, I cannot just leave them and I will fight for the democratization of the country for as long as I can, Panic stressed. I do not believe that I will set up my own party, he said, noting that he has already received calls from all democratic parties and he will try to unite them.

Commenting on threats made in the Assembly yesterday that government members might be arrested or their passports confiscated, Panic said that this is fascism. That's how things started in Germany, but this must not happen in our country. We must put a stop to this, otherwise we will pay an enormous price, he stressed, assessing that it is still possible to prevent this.

When the Germans did that to us, I took a gun and ran into the woods, and I said farewell to communism. I will stay this time, Panic said, reiterating his view that the system will be changed in the end.

Asked about foreign military intervention, Panic said it is a realistic possibility and he will work against it. I will continue to travel and to talk with statesman in order to prevent it. The threats are serious, but if we do not work for peace there will be no peace, he added.

Commenting on the way Montenegrin deputies voted in parliament yesterday, Panic said that they voted in a political fashion, as things should be, because to all intents and purposes, this government has practically not existed since the elections were called. So, everything that happened in the Assembly yesterday was unnecessary and senseless.

Asked about the position of Deputy Prime Minister Radoje Kontic regarding his appointment as acting prime minister by the Chamber of Citizens yesterday, Panic said he knew nothing about this because Kontic made excuses that he was unable to attend today's government session.

Asked whether what the international community is doing to Yugoslavia is a shame, Panic replied in the affirmative. I did a lot to explain to the world that the Serbs are a peace-loving people. The problem lies in the question of how the world can believe that when the top ranking people say they will arrest seven federal ministers and the whole world makes it public, Panic said.

Asked to comment on yesterday's incident when a convoy of tanks with Serb Republic markings crossed from the Yugoslav side to Bosnia over a bridge near Ljubovija, Panic said he did not know about that and therefore cannot make any comment.

Nor did Panic comment on a statement by the Defense Council issued yesterday, because, he said, he did not attend the session in which President Dobrica Cosic, republican Presidents Slobodan Milosevic and Momir Bulatovic, and members of the General Staff took part.

Panic To Remain Until Cosic Names Successor

AU3012183792 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 30 Dec 92

[Text] At the news conference that was held by [Federal Prime Minister] Milan Panic in the presence of [Federal

Information Minister] Miodrag Perisic, [Federal Foreign Minister] Ilija Djukic, [Federal Justice Minister] Tibor Varadi, and [Federal Minister Without Portfolio] Ljubisa Rakic, in whom no-confidence was voted yesterday, the following was stated: We will continue our struggle for democratization and salvation of our country until president of the republic entrusts formation of the Federal Government to a new prime minister-designate. Radovan Radovanovic attended the news conference from our editorial board:

[Begin recording] Only slightly less cheerful than usual, Milan Panic, prime minister in a Federal Government that since yesterday no longer enjoys the trust of the Assembly, held a news conference immediately after the last session of the cabinet this year. Instead of being the guardian of legality and constitutionality, the parliament became a place where the Constitution is being violated, Mr. Panic began.

Information Minister Miodrag Perisic at the beginning of the news conference stressed that the conclusion reached at today's session was that the government would continue to work in its present makeup until the mandate to form a new cabinet is given to a new candidate. President Dobrica Cosic attended today's session and, according to all who were present, it could be concluded that he had decided to observe the constitutional procedure applicable to the post-election period. This, therefore, means that a decision to elect an acting federal prime minister, which was passed at the session of the Chamber of Citizens yesterday, is not considered a proper action and will have absolutely no legal result, as Tibor Varadi said.

Radoje Kontic, the possible acting federal prime minister, did not attend this morning's session, and he was not willing to make any statements for the public last night, either.

Constant foreign pressure upon the authorities and nations of this country gave complete legality to the internal pressures, Information Minister Perisic said. There is obviously a tragic tendency toward self-isolation in this country and an atmosphere in which the constitutional powers of President Cosic are being attacked, and he is being discredited in legal, constitutional, political, and international aspects. The arguments of the underground about the theft of money will be unmasked by a public investigation in parliamentary commissions, while yesterday's attack from the positions of ideological nationalism in the Assembly represents only a temporary triumph of the concept of a closed society.

Milan Panic stressed that the bribing of employees will stop immediately, as soon as the elections are completed. For five months, Panic said, the parliament was doing nothing but obstructing the work of the government, and it refused to adopt one single law. The invention of the acting prime minister represents the ultimate in violation of the Constitution, but we will adhere to the Constitution regardless of the lies uttered. I never visited any rocket base in Kosovo, as the president of the Radicals accused me of doing. However, it is only natural that I wrote letters throughout the world asking for help so that democracy would dawn upon this country. Perhaps a so-called caesarean will have to be performed, but democracy will be born here, and I will be present then and will make my contribution, Milan Panic stressed.

When asked by a reporter whether he was upset by the statements that members of the government and he himself would have their passports taken away and be arrested, Panic answered that fascism always begins like this, repressing different opinions by force. However, it is not possible to travel around the world explaining what a peaceful nation we are when at the same time deputies are threatening to throw the prime minister out of his office and put him in prison. There are set procedures and ways, and this government and Milan Panic intend to respect them. At the same time, we will strive to suppress all preferences for a military intervention and widening of the war on this territory, Milan Panic, the prime minister who since yesterday no longer enjoys the trust of the Federal Assembly, said in conclusion. [end recording]

General Says Intervention Would Escalate War

AU3012163492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 30 Dec 92

[Report by Mijusko Tomic of the news conference by General Zivota Panic, commander of the General Staff of the Yugoslav Armed Forces; in Belgrade Army Hall on 30 December—recorded]

[Text] [Tomic] Some Western countries are trying to gain dominance over the territories of former Yugoslavia. In the strategy of indirect action, all available political, economic, and subversive psychological-propaganda means of the policy of force have been applied to date. International isolation of our country is very inhumane and unjust. All kinds of pressures are being stepped up. All former threats of military intervention against the Serbian people on the territory of Bosnia-Hercegovina and Federal Republic of Yugoslavia [FRY] are becoming increasingly pronounced.

Commander of the General Staff of the Yugoslav Armed Forces General Zivota Panic said:

If intervention in the Balkans does take place, this war would only spread and would never be brought under control by any intervention. They have probably forgotten about the Serbian and Montenegrin people, who in their history always fought resolutely for their freedom and will continue to do so in the future. Such an imposition of a solution to the crisis in the Balkans, on the FRY's territory, by Western forces is wrong.

The Supreme Defense Council held a meeting in the General Staff yesterday. As you have been informed, we

examined key issues of the country's defense and measures that we are now taking in view of this situation.

Army Chief Comments on Kosovo, Intervention

LD3012214592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1508 GMT 30 Dec 92

[Text] Belgrade, 30 Dec (TANJUG)—Col.-Gen. Zivota Panic, chief of general staff of the Yugoslav Army, today said that the existing degree of transformation and combat readiness in the Yugoslav Army enables it to wage a successful war for the defense of freedom and independence of the Federal Republic of Yugoslavia [FRY]. Panic was speaking at a news conference for journalists and editors of the Yugoslav public information media on the occasion of the new year festivities.

Competent state bodies and the FRY president, in his capacity as Supreme Commander, decide on deployment of the Yugoslav Army outside the borders of our country for the protection of the Serbian people, General Panic said. He said it can be taken as certain that we shall not allow the Serbian people in Bosnia and Krajina to be subject of a genocide and extermination. Panic stressed that this is paramount at the moment.

According to our estimates, Panic said, the danger from foreign military intervention has objectively increased lately. We must tell the world this is a new genocide and we will neither permit nor accept it, Panic said.

Panic then recalled that the process of transformation of the Yugoslav Army is being carried out in a time of exceptionally serious threats against our country from, above all, the west. Despite that, the Yugoslav Army is evolving into a professional, principled, and essentially apolitical and well preserved armed force; albeit, the process is carried out under objectively difficult conditions.

Territorial dimension in the armed forces and partisan echelon have been abolished. The Yugoslav Army has 120,000 members in peace time, and 600,000 members in conditions of war—with a possibility of having two million members. Half of the army composition will be professional in peace time, General Panic said.

Replying to journalists questions, Panic said that there was no reason to use the Yugoslav Army in Kosovo and Sandzak, adding that he hoped this will not be necessary in the near future.

Regarding the cadres policy, Panic noted that the Army is working on the recruitment of younger officers. This issue was discussed yesterday at the session of the Supreme Defense Council, he said.

In connection with threats by the West to our country, Panic said that a decision to resolve problems in the Balkans by military might would cause the escalation of war conflicts, it would not curb them. This is essentially an errant policy. In addition, he noted, the West ignores the fact that the Serbian and Montenegrin nations are prepared to defend their fatherland.

The Yugoslav Army chief of staff told journalists he did not believe that armed conflicts could take place on the territory of the Federal Republic of Yugoslavia, primarily because our people are deeply aware of possible consequences.

Regarding those in our country calling for foreign military intervention, this is not the business of the Army; it is judicial bodies and the state that should take care of that, Panic said.

Asked about threats coming from Albania, the Cheif of the General Staff replied that Albania cannot do anything on its own. But if it unites with enemies within Yugoslavia and gets support from the West, then the situation can become more serious. However, I do not believe that the West would get involved in something like that.

Commenting on whether there is any cooperation with the Russian Army, Panic said that it did not exist.

To the question of what he thought of Slobodan Milosevic, he replied that the people said what they thought, and that he personally held the Serbian president, as a person, in high esteem.

In conclusion, there was a question regarding "an amateur trial" of a group of officers of the air force and anti-aircraft defense security department, known as the Opera case, in which many military secrets have been leaked which nobody else in the world would have done. Panic agreed with this opinion and said that the trial is being seriously examined and that something will be done in this regard.

Djukic: Belgrade Against Foreign Intervention

LD3012231092 Belgrade TANJUG in English 2033 GMT 30 Dec 92

["Pool" item]

[Text] Belgrade, Dec 30 (TANJUG)—Yugoslav Foreign Minister Ilija Djukic on Wednesday [30 December] described as very dangerous calls for lifting the arms sales embargo on Bosnia-Hercegovina and threats of a military intervention in that former Yugoslav republic.

These dangerous trends persist because of a continued insistence on Serbian sole guilt for the Bosnian conflict, said Djukic in an interview to Radio Yugoslavia which will be broadcast in six languages on New Year's Eve.

Djukic said that the Federal Republic of Yugoslavia (F.R.Y.) wants peace and that it has proven in word and deed that it does not want a spreading of the war to the rest of the territory of former Yugoslavia.

I am convinced that every Yugoslav government will concentrate its efforts in this direction, said Djukic and

added he expects the Serbian people in the new year to win their right to self-determination and the F.R.Y. to regain its equal place in the international community.

Djukic said the international community has given "superficial legitimacy" to the Moslems in Bosnia-Hercegovina, thus making it easy for them to insist on their "right to fight total victory" against all the others, particularly the Bosnian Serbs.

He said he believes that an agreement is in the offing in Geneva which is why it must not be permitted that the carefully prepared offensive of the well-armed Moslem Army thwart the efforts to end the war in Bosnia-Hercegovina.

The Bosnian Moslem Army on Tuesday launched a large-scale offensive, concentrating particularly on Sarajevo and Eastern Bosnia-Hercegovina, in the hope of heightening the international interest in the conflict and accelerating a foreign military intervention.

Djukic warned that any further internationalization of the Bosnian conflict or any foreign interference elsewhere in former Yugoslavia would only fan the war in the Balkans, for which reason he considered necessary that the Yugoslav crisis should once again be carefully examined from every aspect.

Foreign Minister on Solving Crisis

93BA0397B Belgrade POLITIKA in Serbo-Croatian 14 Dec 92 p 4

[Author-edited text of presentation by Ilija Djukic, foreign minister of the Federal Republic of Yugoslavia, at the recent symposium entitled "The World and the Yugoslav Crisis": "We Are Seeking Allies Instead of Enemies"]

[Text] We live in difficult times. We have created a state in a very difficult time, and it has been passing through an extremely tumultuous period. The literati would call it times of confusion. In our [word indistinct] we usually treat this as a complex, complicated, difficult, and problematical period. Those are all euphemisms and synonyms. I am deeply convinced that the peoples who lived in the former Yugoslav state are altogether and each individually gravely hurt by what has happened in our region and by the views which the international community, the European Community in particular, has adopted toward us as well as by what they have done to us. This is a drama which has passed over into tragedy.

Under these circumstances, it is difficult to keep a cool head. Gatherings and reflections of people whose heads are cool, collected, and sober, who can offer this state and its citizens and peoples alternatives for a rational way out of I do not know which circle of hell in which we find ourselves, are valuable to us now. There are still more of those circles beneath us, above us—we can move toward the exit.

The Importance of the FRY

It is certain that the creation of the FR Yugoslavia represents a watershed in this situation. The London Conference was a new attempt of the international community to help us to get out of a difficult situation. We took an active part in that conference, we made an imprint on it, and both we and the international community assumed certain obligations. That is the circle in which we should seek the directions of a way out of the situation in which we have been on behalf of preservation of the state, the rights of the citizens and peoples, and creation of the possibility of being a constructive factor in this part of Europe and in the space of the Balkans. This is that crossroads at which we find ourselves at this moment.

Great injustices have been done against the people and peoples who find themselves in this state. We should not forget for a moment that the Serbian people is the only one that has been denied the essential right that has been raised to the level of a postulate in resolving the Yugoslav crisis—the right to self-determination. We know its constitutional and political aspects. The result of that is that a third of this people will not be in a common state although it was offered to us. This is the situation in which we find ourselves. How are we to get out of it? How are we to achieve first of all what we ourselves expect of ourselves, and what our environment, Europe, and the world expect of us?

I think that we have three points of support which we can use, and we must not omit the chance to rely on them.

First, we have a state, albeit a diminished state. We may be satisfied or dissatisfied with it, but we do have it. And not only do we have it. It is essential that it has been honored de facto, that is, its borders are honored de facto. No selfish politician, no representative of serious countries which are today factors in deciding the destiny of Europe, and so our destiny (unfortunately, others are frequently deciding it for us), has denied our new borders. Accordingly, that applies to Kosovo, our open wound. The question is only how we will act to get out of that situation, so that our Kosovo remains our Kosovo, and so that the people who live there have both the ethnic and the individual rights to which they are entitled under these standards?

The second fact on which we must rely is the complete and authentic internationalization of the issue of the Serbian people in Croatia. We must not forget that for a moment. This is also a point of support.

And third, institutionalization of the issue of the Serbs in Bosnia-Hercegovina [B-H], who have become an entity absolutely to be reckoned with in any resolution of the future destiny of Bosnia-Hercegovina. We must support the segments of our own people who belong to us, but we cannot allow that people's parent state—the FRY [Federal Republic of Yugoslavia]—to be put in a situation where it cannot help them, in which it itself could not survive.

Like a Squaring of the Circle

This is the squaring of the circle in which we find ourselves. All of these three points of support have been stipulated by the international community regardless of the stage at which this state, the FR Yugoslavia, is recognized or not. But they are not guaranteed in advance.

In our activity, should the point of support be on a hard-line policy, on rejection of support, in favor of erasing any criticism which is made of us from outside, or should these points of support be a stimulus for us to consolidate what we have gained, what we have, what is left to us, if you like, and then on that basis build the future of this state, our citizens, and the peoples that make it up? There is no dilemma about that for me. But we must work quickly, purposefully, and rationally. Sensible experts can contribute, regardless of our mutual differences, to the offering of directions for getting out of this hell into one of its upper circles.

We have to get out of it quickly. But, if we do make that kind of effort, we will not only get out of the hell, but we will come out onto that plane which will make us a desirable partner in resolving issues in this space.

What should we do to get out of it? I have said we have to rely on all three points of support. In what manner? We must contribute to the restoration of peace, to stopping the war in Bosnia-Hercegovina, we must do everything we can, respecting ourselves and respecting realities in this space, to move seriously toward the prospects for resolving this situation and to normalization of relations with new and old neighbors.

It Is Not Beneath Our Dignity

Doing that is not to go beneath our dignity as a nationality and as a state, this expression is frequently used, because that consists of all three facts which I have cited. We must rely on the democratic forces in neighboring countries, and they do exist. This is a delicate job that requires patience. We must also rely on the governmental interests of all neighboring countries. When we made a public announcement that we have no territorial claims—I am referring to 27 April of this year and the constitutional declaration, so, if we publicly state that we have no territorial claims, nor any problems with borders, then it is on that that we should build our policy.

We have a central position in the Balkans. We also have the possibility of becoming the center of gravitation for European development in this Balkan space. This, of course, implies that we rely on the old democratic European traditions of which we are a part, in one way or another, but also on the new ones that have been created in the meantime. We have signed documents which have to do with international relations, relations between states, that concern the position of nationalities and ethnic minorities and human rights. We should act consistently with the signature which we placed on those documents.

Those who are criticizing us are not our enemies. There is no evil intention in every critical message addressed to us. Unless we understand that, if we act otherwise, if we try to break and shatter the resistance, if we ignore and grind to pieces the obligations we have assumed, obligations which are in our interest, we will not achieve anything. We will drop down into some lower circle of the hell in which we already find ourselves. It is very difficult for me, but I must state what I have to say out loud—we still have not reached the bottom of it. I would like very much for that not to happen, but for us to move to extricate ourselves. Meanwhile, we must not set up obstacles to ourselves.

The question of continuity has been turned into an obstacle. Continuity was made a political issue, if you like it was even mystified, to stop short of saying manipulation. The best evidence of that is that the issue of continuity, the way it was posed, became a political rather than a constitutional issue. That is the way in which we advocate unreserved and absolute constitutional continuity of Yugoslavia. Is that not obvious?

All categories have been mixed up, even legal institutions have been mixed up. Continuity is one thing, and succession is something else, although they complement one another and are interwoven. Legal continuity is one thing, and historical or ideological and international continuity is something else. Why do we not untie that knot and get to the heart of it? We are, of course, what we were and what we will be. Which continuity, then? Continuity is not a regime, continuity is not an individual figure, continuity is not the policy of one moment and one time, just as patriotism is not identical with the regime. Those are things which we must make understandable to our people.

We do have alternatives. We have them in the points of support of which I have spoken. We have them even on the question of continuity. We must work quickly and sensibly and incorporate the question of continuity into the resolution of the Yugoslav crisis. That door is not completely closed to us. There is no automatic recognition, but there is unautomatic recognition. If we have to, after preliminary agreements, we will make sacrifices. We must work on democratic foundations, on building an orientation which is a contribution to Europe and to the Europeanization of this region in the best sense of the word. We must make our contribution, we must preserve ourselves, we must all of us together become what we want and what we aspire to.

Let us not seek enemies, let us seek allies and friends among all those who are able to understand us. They do exist, and it is not as difficult to find them as it might seem. We will have a different reputation, a different position, and different opportunities.

Cosic Addresses Army on Patriotism

93BA0401A Belgrade VOJSKA in Serbo-Croatian 10 Dec 92 pp 3-4

["Speech" by FRY President Dobrica Cosic, member of the Serbian Academy of Sciences and Arts and supreme commander of the Army of Yugoslavia, in a conversation with unit commanders of the 1st Army: "You Are the Army of the Homeland"]

[Text] Soldiers and warriors, destiny and history have today rewarded me, the author of the fictional 1st Serbian Army, with the exceptional responsibility of being your supreme commander. In my long and varied life there has never been, nor could there be a greater responsibility nor greater honor. Here today, in the 1st Army of the Army of Yugoslavia [VJ] I feel exceptional excitement, satisfaction, and concern. Excitement at talking to the men who have devoted their lives to freedom and the homeland, satisfaction at what I have seen and heard, at what I have heard from you about combat readiness and the moral, mental, and patriotic strength which can guarantee freedom to their country and their people. I believe in you and I do so with all my mind and all my soul. All our people trust in you, and in these days of trials such as have been rare in our modern history, as I was coming to you and thinking over what would be equal to this December, I concluded: only the November and December of 1915 are equal to this December and this November. I do not say that as a writer, I am speaking as the president of the Republic. Only in November and December 1915, only in Prizren and Pec, did the Supreme Command of the Serbian Army have greater trials, greater responsibility, and I will not say greater tasks, but the same tasks which you have today.

I know, believe me when I say I know, what a man who holds my office and this job, this duty, is in a position to know as to what your troubles are, what your concerns are, and all the difficulties you have been combating. You are certainly that institution of our people and our state which has suffered most gravely and tragically the collapse of our state and the collapse of an order. You are that institution and that organization, you are those people, that profession, and those citizens who will suffer the longest from a historic collapse which befell this country and this generation. But that is how the world is, the circumstances in which we live are such that we face a situation in which certainly the most crucial and difficult tasks of our survival are being loaded onto your shoulders.

It is my duty to tell you what you know quite well: without a state that is organized and law-governed, a state based on freedom and the law, and justice and responsibility—there can be no well-organized or well-equipped army either. We are basing our survival on the remainder of a state, on the ruins of a state and of an order.

It is not easy, and it will take quite a bit of time for our new state to establish itself, and it is certain that you will be that part of that state and of our society which will perhaps experience the troubles and pain most severely, but I am profoundly convinced of the satisfaction, hope, and joy of the new state's creation.

These past days I have been saying what I as an individual see as to what kind of new state that should be, and at this moment today I can just mention to you only a few main ideas. I believe that the Federal Republic of Yugoslavia [FRY] should be a state of equal, organic, and democratic unity of Serbia and Montenegro, that it should be a state that will be free of the entire legacy of the Titoist system of government, which has had a tragic impact on our lives and will affect our future for a long time. I want that to happen, I want to serve, I want to fight for a state that represents freedom and law, a state of social welfare, a state of social justice, a state in which there will be no denial of the essence of those great ideals which were held by generations which attempted a great change of their world, specifically those ideals which exist in the intellectual and spiritual repository of that best segment of humanity. It is not easy to create that state representing social justice, that state representing law and freedom, on ruins like this, nor is it easy to create it in a world which has punished us so cruelly and driven us out of the world community. And which has exerted itself with all its strength to threaten us out of some truly selfish and sinister objectives of its own and is threatening us this way every moment.

I feel the great responsibility to the Army which falls upon the organization of the state. I must tell you frankly that our state still has not fulfilled that responsibility, it still has not given the Army what it must give it, what is required by its vital interest and the survival of our people.

The responsibility for the moral, social, and cultural level of the Army, which should and is the guarantee of our freedom, must be borne by the entire society; and that means an effort on the part of society, but also on your part. You officers know that today you are involved in an unusually fierce political struggle which has blazed up in our country, in a confusion of political parties and a confusion in every other way, that even under those conditions you have been exposed to degradation and insults of a moral and civil nature, that it has not been easy to wear an officer's uniform. Many people committed to a political party still see you as an ideological Army, see you in the way you were traditionally believed to be. This is an aggravating circumstance for you in the great mental and moral effort to be the Army of a democratic society and of a law-governed state, the effort to eliminate ideology from your life, to prove that you are not the Army of a party, but that you are the Army of the homeland, that you are not defending a political order, but you are defending the homeland. That effort to get rid of ideology has raised a serious problem, shown up a serious shortcoming. How are we to replace that ideological identity, that entire system of values which

you stood for, and which has experienced a historical collapse, how are we to replace that ideological identity, that mindset in yourselves, in the soldiers, in the young generation, by another more varied mindset, by a new patriotism?

A while ago as I was listening to your commander and other people in the Army's command, I wrote something down to tell you, to think out loud in front of you, to speak to you, to point out to you, for us to point out together what is the content of the new patriotism on which we should build our general national consciousness and the consciousness of soldiers, the consciousness of our officer corps and of all of us called upon to serve the homeland. And here are some of the ingredients of that patriotism which I think should be the spiritual, moral, and mental basis of our new Army. They are, first, freedom, ethnic and civil freedom, then the consciousness of our national values, there is the consciousness of our country's wealth and beauty, then the creative, spiritual, and material values which our ancestors created, there is the freedom-loving and fighting traditions which represent our national, moral, and spiritual integrity and identity, there is the belief in our strength for development, in the power of the people, in this country's progress and future. If we establish our new patriotism on those ideological and spiritual premises, there will be freedom and there will be spiritual and civil space for all those other commitments on which a free society exists. Whatever declarations you have made, whatever your tendencies, in these times you cannot be indifferent as to politics and party. Let us hope that that is not the way you are, nor do I recommend it to you. You are citizens, you are parents, you are sons, you are brothers, and you must invest your individuality in every political commitment. But what we must strive for, that is for the Army as an institution to be far from political parties, from the parties themselves. Today, all or a majority of the parties are rivaling one another in patriotism, nationalism, and fighting aspirations. For me as a citizen and as a man, it is difficult to listen to those war cries from the speakers' platforms of the parties and from the candidates, but we are called upon, we are ready, with our lives and experience, with the painful experiences we have had, to distinguish patriotism from nationalistic hatred and exclusiveness. To distinguish the good, the aspiration for democracy, from the aspiration to pursue selfish and unsocial interests. In this election, our country is deciding perhaps one of its most difficult problems in its contemporary history. This election ought to lead us into a new stage of our social, national, and governmental development. If we do not achieve that, then it certainly will not be good either for the people or for our Army. I expect, I believe, that our people, that our society, will discharge that truly historical responsibility and in this election elect as their representatives in the Assembly their most honest, their best, their most intelligent, and their most hardworking people. I do not see them all in one party, nor do I want to see them in one party. I see them in the entire people, I see them in our entire society, and by no means under a single standard.

We have before us a big test. We have been so threatened that probably we are today the most threatened country in Europe. We are certainly the most threatened people in our part of the world and on this continent. We must be really prepared for this moment of trial. There can be no alternative here. We must defend our land, our survival, our freedom, our people, our civil dignity with every means. If you have heard from me a sentence or statement that we should bend or bow down, I have told you that we should not and must not kneel down. I am sure that as soldiers you know very well what my statement means and, if I might say so, the motto of my politics, of the policy which I advocate. Today, we need high intelligence, we need clear heads, combined with courage, so that we can defend ourselves, so that we can win a defensive victory. Without the trace of a doubt that our Army, that the entirety of our Army, that our entire officer corps, has any hesitation whatsoever, will show any kind of reluctance to carry out their duty—I greet you, I call upon you to take this speech of mine as a topic, as an introduction to our conversation.

Cosic Visits With 1st Army Commander

93BA0401B Belgrade VOJSKA in Serbo-Croatian 10 Dec 92 pp 4-5

[Article by Ilija Matovic, Ivan Markovic, and Aleksandar Kepic: "Defense of the Country Is the Highest National Interest"]

[Text] The president of the Federal Republic of Yugoslavia [FRY] and supreme commander of the Army of Yugoslavia [VJ], Academician Dobrica Cosic, on 8 December paid a visit with a group of associates to the command of the 1st Army on Topcider. The visit to the command units lasted more than four hours.

Lieutenant Colonel General Vladimir Stojanovic, commander of the 1st Army, informed President Cosic in the presence of his closest collaborators in the command and the corps commanders about the status of combat-readiness of units and about the difficulties encountered by members of the Army in these complicated times. We give just a few pieces of information from the 1st Army's "identity card" as to the complexity of the tasks it is performing: With its zone of responsibility it "covers" 43 percent of the territory of the FRY, with about 51 percent of its population, and the border front which it secures with neighboring countries is about 900 km long. In the discussion with the commanders, most was said about the combat capability of units and commands, about the status of combat morale of their men, about their strength in personnel and equipment, as well as about results in its own transformation. The discussion, of course, also turned on materiel shortages and difficulties being combated by units in these times when the state is impoverished, striving under the conditions of

the sanctions that have been imposed and the diminished opportunities for modernization to maintain a high level of ability and readiness to carry out missions.

President Cosic showed a great interest in those problems, asking about the formation of brigades, about the activities of the commands in decision-making and of units in replenishment and supply, about the structure of ranks in the commands at various levels, about the status of communications equipment from the company to the Army, about the relation between the combat and rear components of units, about the call-up of recruits and reserves, about the results of the competition to recruit soldiers and noncommissioned officers under contract, and also about the wartime and peacetime makeup of the 1st Army. He was given a precise answer to every question.

There was also discussion about the difficult position of thousands of military and civilian members of the Army of Yugoslavia who when the country disintegrated were left without housing and belongings in the parts of the former SFRY which seceded, as well as about measures to resolve their extremely complicated problems, which presupposes substantial material resources and great solidarity on the part of the community. At this moment, the families of "military homeless" in garrisons on the territory of the 1st Army District number 13,488, among whom the most numerous are the families of officers and civilians who arrived here with units of the former JNA [Yugoslav People's Army] from Slovenia, Croatia, and Bosnia-Hercegovina [B-H]. Those families are mostly divided and broken up, or they are living in garrisons, in adapted military warehouses, in hostelries and recreational facilities, mainly with no prospect whatsoever of soon being able to resolve their housing problem favorably, for some of them even before they retire.

In the discussion with the highest commanders in the 1st Army District, a high degree of agreement was expressed that the Army of Yugoslavia should not in any way intervene in the competition between the parties and movements and their leaders in their fight for power, but should remain above the parties, loyal to the state and to the people, and should concern itself exclusively with strengthening the defense of the integrity of FR Yugoslavia and protection of its constitutional system. But they also heard how on the eve of this election and otherwise there is quite a bit of guessing going on as to whom the Army of Yugoslavia belongs, whom it is supporting, and whose orders it would carry out in a given situation? Speaking to this point, General Stojanovic said: "It is our judgment that there are no serious grounds for quandaries of that kind—the Army of Yugoslavia is on the side of defense of the FRY, which is our highest national interest, in any situation it would act in accordance with the Constitution, in the service of the state, its nationalities, and its citizens, it would carry out the orders of the supreme commander, who makes decisions on the basis of the assessments and views of the Supreme Defense Council. That is our answer, and all the rest are political games and guessing."

During a break in the conversation between President Cosic and Gen. Stojanovic and their closest collaborators from the commands and corps commanders and with officers of commands and units making up the 1st Army, the visitors were shown the armament and military equipment that is part of the armament of this operational-strategic grouping of the VJ. President Cosic looked over various guns and weapons, talked to the soldiers and officers, and asked about the production, maintenance and use of various weapons.

Lt. Col. Gen. Vladimir Stojanovic thanked Academician Dobrica Cosic for having made an honorable exception. This is the first time in the existence of the 1st Army that it has been visited by the supreme commander, and at a time of uncertainty for the people and the state to which it belongs and which it serves. Be certain, Gen. Stojanovic told Supreme Commander Cosic, that this day and this act of yours will go down in the history of the 1st Army of the Army of Yugoslavia.

[Box, p 5]

There Will Be No Civil War

Addressing the journalists who were covering his visit to the 1st Army, Dobrica Cosic, member of the academy and president of FR Yugoslavia, said:

"I am deeply convinced that your attention and the attention of our public is based on the high qualities of this Army and of our Army. On its moral, patriotic, and combat capabilities, which to our misfortune we may need, although all of us desire not to be forced to make our survival contingent upon defense of our very lives."

President Cosic emphasized that the time in which we live is so uncertain that we must have all of our potential, and at this moment all of our defensive potential, ready for the trials which are ahead of us.

"We are a country which needs peace above all, because our survival lies in peace. Peace is not some civil luxury of ours, nor is it the normality of civil survival, peace is the first condition of our very existence."

Speaking about the threats of war which have been hovering over the FRY, Dobrica Cosic emphasized that they do exist, to the shame of this world, to the shame of this moment in the life of humanity. Those threats come from democratic countries, countries which are acting in the name of freedom, they are even coming from our allies in both world wars, our brothers under arms. When threats come from that quarter, it has to hurt, it has to be disturbing, it also has to evoke a feeling of being offended, and also a feeling of resistance and pride.

"We truly cannot be indifferent toward threats of that kind, and let those who are threatening us know that we are people who will respond to those threats as people in their best tradition. As for talk of civil war, I think that

those are chimeras in the marketplace and the coffeehouse. This country has had enough of war and killing, and that is why civil war is out of the question."

At the end of the meeting with the newsmen, Lt. Col. Gen. Vladimir Stojanovic, 1st Army commander, thanked President Dobrica Cosic for making an important visit in a difficult time and emphasized that the commands and units of the 1st Army are today completely combat-ready so that they can carry out any task which the supreme commander sets them.

[Box, p 5]

A Sense of Responsibility and Honor

In answering a question of our newspaper's journalists about his impressions from the visit to the 1st Army, Dobrica Cosic, president of the FRY, said that they are very favorable, emphasizing that society, the state, must invest more funds to resolve the problems of everyday life for about 13,000 officers and noncommissioned officers who are today in need, who do not have a roof over their head, and who tomorrow are supposed to defend this country.

"Having seen those immense material and existential problems of the people from the 1st Army, my impressions on the basis of what I heard are extremely favorable, and both as president of the Republic and as commander of the Army I feel honored. As a writer, I feel a bit small and timid in having to speak also as the supreme commander of an Army."

Political Overtones of Collegium Communique

91BA0405C Belgrade NIN in Serbo-Croatian 11 Dec 92 p 31

[Article by Gaja Petkovic: "The Generals"]

[Text] When we hoped that the generals of the Army of Yugoslavia had finally stopped interfering (without authorization) in the political life of the country and that the Army, as the wielder of power and armed might, had truly begun to depoliticize its ranks, there appeared in public the communique of the Collegium of the minister of defense, in which its members, by means of the TANJUG news agency, publicly disassociate themselves from their superior, the minister of defense, Mr. Milan Panic. The communique itself would not have deserved so much attention, perhaps, if its contents were not intended in an exclusively political way, if the communique had not been presented to the Yugoslav public right at this pre-election time, and if its publication did not directly coincide with the passage of new laws on the Army and the defense of the country. Among other things, these laws propose something that should serve only the needs of daily politics and that, since there have been armies in these areas, military practice has not been in a position to learn—the separation of the Ministry of Defense from the General Staff! But, that is a story in itself.

Freezing of the Minister

The Collegium of the minister of defense, which comprises a group of generals of imposing professorial and doctorial titles, otherwise directors of administration in the Ministry of Defense, and whom Minister Panic found in these positions and verified their functions "to the letter," addressed our public on 3 December of this year, informing it that "the declarations of the president of the government and the minister of defense, Mr. Milan Panic, are particularly factionally colored, and that this "threatens the political neutrality of the professional part of the Ministry of Defense in the upcoming pre-election activities..." Because of this the Collegium "distances itself from such actions of Mr. Panic and demands that he freeze his function as minister of defense."

In the contents of this short text, and in connection with it, at least two details are very symptomatic. The first is that the generals—in the name of the depoliticization of the Army!—involve themselves in politics, and how. Allegedly supporting respect for the depoliticized Army at all levels and its consistent role as a national and professional but not a political Army, they are taking an exclusively political step this time: They point out with emphasis the "factional coloring" of Mr. Panic and "disassociate themselves from such actions of his" right in the course of the pre-election activities when, strictly consensually and democratically, the Socialist Party of Serbia withdraws three of its ministers from Panic's government. Is a lot of political wisdom necessary for a remarkable coincidence of political intentions and needs of the one and the other in a certain critical moment to be observed. Moreover, the generals went a step further and, as decisive men—this, after all, corresponds to their rank—but, in any case, also sought the resignation of their minister! They did this with the demand for some kind of, as this is now said in a modern way, "freezing of the ministerial function." So that strangers will not understand!

The second essential detail in connection with the communique of the Collegium of the minister of defense is a fact also revealed to the public, that the other generals do not behave that way. Specifically, military sources confirmed immediately that "There is no disagreement between the minister of defense and the General Staff of the Army of the SRJ [Federal Republic of Yugoslavia]"; this practically means that the chief of the General Staff, Lt. Gen. Zivota Panic, his deputies, and primary associates, the commanders of all armies, and the commanders of the RV [Air Force] and PVO [Air Defense] and the Navy do not think the same way as their colleagues in the adjacent building at Mihovova 37. Is that really so?

Lonely Men

When signatures of citizens were collected this summer, quite legally, for the resignation of the president of Serbia, Slobodan Milosevic, the chief of the General Staff, Zivota Panic, at a meeting of the highest officers of

the Army of Yugoslavia, at which purely specialized military questions were discussed, finds it necessary, entering the sphere of political speculation, to say this: "Forces that act against the SR of Yugoslavia will attempt...on social and economic grounds and in response to demands (for the introduction) of unconstitutional changes in the political regime of Serbia, also including the resignation of the president of the Republic, to widen further the split in the political fabric of Serbia and thus create conditions for the mandatory assumption of power and the initiation of civil war" (VOJSKA of 11 June 1992, page 17). Only a week later, in an interview with VOJSKA, he cites his own clear political assumptions: "I consider the belief that with a change in regime the pressure on Serbia would automatically lessen to be naive" (same newspaper on 18 June 1992, page 5). Therefore, the first man of the "depoliticized army" is permitting an opportunity for it to be assumed how he is openly putting himself with his statements on the side of the Milosevic regime in Serbia. We would certainly prefer that only a slip, a lack of caution, in the general's way of expressing himself is in question, and in no way "a political stand."

We know, certainly, that moves in the sphere of indoctrinated consciousness are the hardest and slowest, and resistance to any kind of changes in this context objectively the most bitter. Nevertheless, worthy justifications for the public underestimation of wisdom and the mental capability of a whole people, and one's own at that, can be found with difficulty.

(The author is the former chief editor of NARODNA ARMIJA.)

Conflict Between Collegium, Army General Staff

91BA0405B Belgrade NIN in Serbo-Croatian 11 Dec 92 pp 30-31

[Article by Dragan Cicic: "All Leading Figures"]

[Text] *The Collegium of the minister of defense, through TANJUG and the RTS [Serbian Radio and Television], is seeking the "freezing" of Panic, the General Staff is distancing itself from the Collegium—through Studio B NTV [National Television]. The result: The people [outside Belgrade], unaware that an abnormal group is involved, believes that the military leadership is challenging the federal premier*

The cheap pre-election operetta in Belgrade is continuing. In the general uproar of the election farce, a bass is suddenly heard, instead of the clown's screaming and shrieking. One of the few at least potentially serious remaining partners in the theater of the absurd is being announced—the Army. The Collegium of the minister of defense has released a communique, which TANJUG and Belgrade television are accepting immediately. In the text the "declarations of the president of the government and the minister of defense, Mr. Milan Panic," are depicted as "particularly factionally colored"; this "threatens the political neutrality of the professional part of the Ministry of Defense." A premonition of whose orientation—if not ideological then at least inventive—the collegium is following can be divined from the proposed solution for this unusual situation. Application of a united SPS'ism [Socialist Party of Serbia] of so-called freezing (not of a man but of a function) is being sought.

With the communique the public immediately began to whisper about a military coup, and many officers were also not far from the thought that this was exactly the case. However, a communique from the Information Service of the General Staff of the Army of Yugoslavia was quickly issued: "Lt. Gen. Zivota Panic and his deputies and Army commanders are not members of the Collegium of the minister of defense, which today sought the freezing of functions for Mr. Milan Panic."

Courier Mail

The statement signed in the name of the General Staff by Ljubodrag Stojadinovic was delivered to Studio B NTV. This station forwarded the statement, but TANJUG and TV Serbia refused to accept and broadcast it (the populace would probably have not been confused). NIN is learning that the Army has nevertheless found the means of informing at least its members throughout Serbia and Montenegro about the real status of things: A communique was prepared on Monday for all units in which it is emphasized that the General Staff did not participate in the communique and the personnel structure of the Collegium in any way. Why is it necessary to explain not only to the public but even the officers what the Collegium of the minister of defense is?

Up until recently, when the SSNO [Federal Secretariat for National Defense] existed instead of the Ministry, the chief of the General Staff, his deputies, and the Army commanders constituted the collegium. The General Staff was practically part of the SSNO, while these two bodies have been completely separated under the new law. The ministry takes care of general defense policy, questions of financing, labor and housing law, and the like. The domain of the General Staff includes operative command, specialized training, and leadership in armed combat, and it is directly subordinate not to the Ministry but the president of the Republic, who commands the Army on the basis of decisions by the Supreme Defense Council. The president of the SRJ [Federal Republic of Yugoslavia] and the presidents of member republics constitute the council.

They Must Be Dismissed

The uncovered (except for TV Serbia watchers) and overall political conflicts between Cosic and Milosevic further made necessary the communique for the units with a clarification of the position of the General Staff. "While this Constitution is in effect, we do not have any dilemmas on the General Staff. The president of the federal state commands the Army. But the very awareness of the schism in the council can have dramatic

consequences, because parallels with the old Presidency are unavoidable in the feelings and awareness of the Army," says a high officer.

The whole affair is also tied to the old presidency (the "vice presidency" is in question this time) by the fact that major general, professor, and doctor Miloj Dragojevic was placed in the position of chief of the military economic sector, at the recommendation of Branko Kostic, it is said. The story goes that General Dragojevic is important in that the first version of the communique was signed in his name in order for the Collegium as a whole to check the subsequent version. Like the other members, Dragojevic joined the Collegium according to the force of functions: After the members of the General Staff left this body, in the name of the law, it was newly structured with chiefs of administrations and sectors constituting the Ministry. They are saying in the General Staff that men from the current Collegium "are not formally members of any party, since the new law prohibits the political involvement of military people," as well as that it is a question of experts with imposing scientific titles who never had much connection with military operations in the narrow sense. Thus it was possible for this noninstitutional body (whose sole purpose is to facilitate consultations for the ministry with associates) to report publicly and in this way to violate military regulations, which are explicit in that officers can report only individually, and never in groups. The reasons are understandable—every informal organization and declaration of officers smacks of rebellion. They are saying in the General Staff that they will not take any disciplinary measures because of the incident: "We do not know whether other principles apply in the ministry; this is a question of an agreement between the minister and his associates."

Retired Gen. Stevan Mirkovic was more definite in a statement for NIN. Criticizing Panic for incompetent use of resources, he says: "It seems to me that it is precisely the collegium cited that is carrying out his affairs, and they have been opposing him. One real minister would dismiss them all!"

In short, it has been established that an informal group is in question (whose leader is not in America) and that the collegium is a violation of military and official discipline. Thus that bass at the beginning of the story has changed to a falsetto, having fit perfectly into the tragicomedy that is now in progress.

How the communique of the General Staff will resound among the populace is not difficult to guess. Some officers claim that the SPS has already been one of the most unpopular parties among their colleagues since back in February, "when a uproar occurred over the buying up of military apartments; this served as a smokescreen for the buying up of Republic and party apartments under much more favorable conditions."

Lending seriousness to the situation is the fact that yet another attempt at the manipulation of the Army is in question. (On whose part—can only be guessed, but with great certainty, for now).

What results are reached by the use of the Army for ideological purposes has been seen in the Yugoslav civil war. Such an Army functions perfectly in peace, but in every conflict it shoots according to the seams by which it is cut out. And changes in the makeup of the ideological glue do not help here.

Sanctions Destroying Large Companies

93BA0405A Belgrade POLITIKA in Serbo-Croatian 17 Dec 92 p 16

[Article by A. C. K.: "Operations Under Conditions of the Blockade: Giants on Their Knees"]

[Text] *The lack of opportunity to get raw materials and producer materials from abroad, as well as to sell our goods over the border, is increasingly closing the doors of firms that were in good shape until recently, decimating the work force in plants. The logic that it is better to produce, even for reserves, is defeated by the inevitability that there is more frequently nothing to produce with and no one to produce for.—The most vital producers of foodstuffs*

The economic blockade is having an effect. Either because of the lack of imported raw materials and producer materials, or because of lost routes for exports of goods, the doors of recent Serbian giants are being left ajar or fenced off, and tens of thousands of workers placed on compulsory annual leave. Even the most vital and most resourceful are giving up, and the logic that it is better to produce, even for reserves, is falling into the water in the face of the inevitability that there is more frequently nothing to produce with and no one to produce for.

As Milan Momcilovic, POLITIKA correspondent from Leskovac, reports to us, "Proleter," one of the oldest producers of agricultural equipment, has also surrendered, having placed on compulsory leave more than 80 percent of its total of 550 employees.

Warehouses Full of Surpluses

In the words of Jovan Tasic, director of this Leskovac firm, "Proleter" decided on this step because of surpluses of finished products, which have filled the warehouses in recent months. Because of low selling prices for agricultural products, farmers, who are normally the greatest purchasers of so-called small agricultural equipment, as well as tractors, have suddenly not been selling their products, primarily wheat, and have "refrained" from buying agricultural equipment. Because of the fact that farmers constitute 70 percent of "Proleter's" clientele, the firm has found itself in great difficulty.

Only security and maintenance workers and those who work in sales and those who will be depended on when the machinery is again set in motion are now coming to the factory regularly.

The suspension of work at the factory, in the words of director Pesic, has led, in addition to obvious losses, to certain savings: about one million dinars daily has been set aside just for fuel oil (about two tons per day), hot meals, and the transport of workers.

Despite the fact that the machinery has stopped at "Proleter," people are not sitting around with their arms folded.

New business partners are being sought. Specifically, "Proleter" had previously purchased special sheet metal in Jesenice; after this it switched to Russian, but the blockade forced it to knock on the door of the Smederevo ironworks too.

No One Is Paying Anyone

Judging from the report of our correspondent in Pozarevac, Zoran Simic, collectives in this area are still "afloat" somehow. In the words of Srba Jovanovic, commercial director of the "Moravka" textile industry in Pozarevac, only one plant with 180 employees is not working in this firm. In order to distribute the burden of the blockade equally in this firm in terms of compulsory leave, administrative workers have been involved in addition to production workers. Trouble for this collective is also caused by the fact that the main customer of this firm, the "Viskoza" enterprise, has not been working for five or six months. The Italian market has also been cut off, and export channels through Macedonia have been completely closed.

About 200 employees are also not working in the "Morava" machine industry. In question is the plant for so-called cold presses, whose production was tied to the FAP (Priboj Automobile Factory) in Priboj, which has been idle for four months.

The "MIP" and "Bambi" food producers have been the strongest. They are working almost continuously; "Bambi's" biggest problem with the blockade is the lack of plastic wrapping for packing and additives for preserving, as well as the fact that with the general money shortage, no one is paying anyone any more for goods delivered.

In comparison with the economy of the Kraljevac area, only Belgrade exporters have been competitive in the volume and value of products that have crossed the Yugoslav border. In the total inflow of foreign exchange on this basis, two Boljevac collectives, the "Bela Stena" Factory for Magnesium Production and the "Eteks" fiberglass factory, accounted for an appreciable share, the POLITIKA correspondent Momcilo Dugalic reports from Boljevac on the Ibar.

Twilight for Exporters

Both firms have employed more than 80 percent of their capacity working for foreign firms and—what has been particularly favorable—have utilized domestic raw materials sources almost exclusively. Both furnaces in the plants of the "Bela Stena" factory were shut down a month ago, one after the other, and half of the almost 500 employees were placed on mandatory leave. Only mechanics who use this production stoppage for overhauling furnaces and equipment remain in the buildings.

It is similar in "Eteks," where only about 70 of a total of 470 employees are coming to work. If the sanctions ended as early as tomorrow, they would not be able to start production quickly, says Dugalic, because only one furnace could operate sometime around the end of March.

Even the largest firm in Uzica District, the Copper Mill in Sevojno, has not escaped the blockade, POLITIKA correspondent Branko Pejovic reports. Having focused on exports for years, this collective has today retained barely 10 percent of a total of 3,200 employees, all managers and workers in administrative services.

Dragoslav Tomic, assistant director of this collective, attributes that to the ever decreasing interest abroad in copper and brass products from Sevojno as well as to the shrunken Yugoslav market. Up until recently the mill was exporting 70 percent of its products, and production was depending largely on imported copper and zinc raw materials. The lack of energy sources—crude oil and natural gas—has added to the problems.

"We currently have one month's reserves; this is insufficient for smooth operations," says Dragoslav Tomic, mentioning that the blockade had stopped consolidation and transformation processes that had been begun in the copper mill, whose equipment, moreover, without buildings and everything else, is worth a good 75 million dollars.

[Box, p 16]

Two Thousand Workers on Leave

Leskovac, 16 December—Although there are still no precise analyses or reliable assessments on the dimensions of the blockade in Leskovac District, it is certain that the consequences are very severe. There is almost no enterprise that can praise itself for succeeding in achieving production this year like the past business year.

The Council of the Trade Union Association of Leskovac District has published interesting research on 15 economic organizations. The intention was to indicate to what extent the sanctions have affected the local economy. Judging from the results of the survey, 1,900 workers in the 15 collectives surveyed have so far been placed on mandatory annual leave of several weeks to several months.

The most difficult situation is in the textile factories of the Leskovac basin. About 1,200 "unemployed" have been registered here so far, mainly in "Leteks," normally the collective with the highest number of workers in the family of Leskovac textile factories. Some 500 workers employed in the metal complex, 200 in the chemical industry, and about 100 workers in the wood industry have also been on leave in recent days.

That which is certainly more worrisome are the extremely pessimistic assessments of the condition of the Leskovac economy in the coming days. According to the above-cited survey of the local trade union, it is expected that a good 3,300 employees will be without work in the next few days in the enterprises surveyed, in which there are about 15,000 workers.

Along with the shutdown of machinery and the reduction of production, the enterprises are increasingly faced with a shortage of cash as well, even for payment of the most modest salaries, and in the majority of collectives one simply does not speak about providing transport and hot meals, because the workers themselves are conscious of the situation in which their collectives find themselves.—by D. Kocic

Serbia

Owen Discusses Peace Efforts With Milosevic

LD3012141292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1257 GMT 30 Dec 92

[Text] Belgrade, 30 Dec (TANJUG)—The president of the Republic of Serbia, Slobodan Milosevic, today received Lord Owen, a cochairman of the Conference on Yugoslavia.

As stated, in the course of the talks they discussed the topical issues of interest for peace and stability in the region and for a further pace of the negotiating process within the framework of the conference on Yugoslavia and the conference on Bosnia-Hercegovina.

The Republic of Serbia regards the general approach of the cochairman, based on observance of the principle of permanent consensus in Bosnia-Hercegovina, that is, equal respect for interests of the three constituent nations, as the best foundations for establishing peace and achieving a lasting political solution to the crisis.

It was stressed that Serbia will give its utmost to efforts to reach a lasting and just peace, which is undoubtedly a priority for the Serbian nation and all citizens of Serbia.

Meets with Karadzic

AU3012150492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 30 Dec 92

[Report by Jelena Vidic]

[Text] The talks between Lord Owen, cochairman of the conference on Yugoslavia, and Radovan Karadzic, president of the Serbian Republic [of Bosnia-Hercegovina], have just been concluded in Belgrade. After the end of the talks, Lord Owen said that the main topic of the talks was agreement about maps and about the territorial and national division of Bosnia-Hercegovina and that this meeting served as a preparation for the meeting in Geneva on 2 January.

Lord Owen arrived in Belgrade with a preparatory document that envisions a united but very decentralized Bosnia-Hercegovina. Lord Owen assessed the stands of the three sides in the Bosnian clash as still far apart, but he said that he certainly hopes for an agreement on solving the status of Bosnia-Hercegovina. He also said Radovan Karadzic had promised him that the Serbian side will present its proposal on a solution to the situation in Bosnia-Hercegovina by Friday [1 January 1993].

Speaking to reporters, Radovan Karadzic once again rejected the possibility of a united Bosnia. He called this into question because the war has been waged for a year. It would be completely absurd to go back to the beginning now, he said.

He rejected the possibility of a military intervention in Bosnia- Hercegovina, being of the opinion that this would not only be a shame for any country that would join the intervention, but also that it would be counterproductive now when, as he said, we are about to reach an agreement.

In reply to a reporter's question of how long he is prepared to hold talks he said: Well, as long as I live, for it is better to talk than to wage war.

Seselj Says Intervention Would Be 'New Vietnam'

LD3012180792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1721 GMT 30 Dec 92

[Text] Belgrade, 30 Dec (TANJUG)—Serbian Radical Party [SRS] President Vojislav Seselj said today that foreign forces—should they decide in favor of military intervention in Bosnia-Hercegovina—would bring about a 'new Vietnam'.

Speaking at a news conference, Seselj said that the Serbian people in this former Yugoslav republic would defend themselves with all available means and that they would have the support of the SRS. He appealed to all citizens to take part in the second round of voting in the local elections, which, in his words, "are important for the stability of the state."

Seselj also called on all SRS members and supporters to vote for the Serbian Socialist Party [SPS] when choosing between SPS and opposition candidates.

We are expecting fair play in those districts where the SRS and SPS are the main rivals.

Commentary Assesses Radicals' Electoral Victory

AU3012180992 Belgrade BORBA in Serbo-Croatian 23 Dec 92 p 14

[Commentary by Momcilo Djorgovic: "Rightward Direction"]

[Text] The sudden breakthrough by the Radicals represents the greatest surprise at the past elections. They themselves probably did not expect to receive such a high percentage of votes. They were, in fact, deemed definite outsiders. They were the least pompous and self-assured during the election campaign. Amid all that crowd on television, they resorted to a single spot that was calmly floating across television screens with a simple message: "The Serbian Radicals are wherever Serbian territory lies." Exactly when he was supposed to be on the scene the most—that is, while the main political leaders were attacking each other, Seselj [Serbian Radical Party leader] had to be operated on.

It seemed to the observers of Serbian political life that Serbia is tired of the war, leaders, and sanctions and that there was a clear-cut choice between indispensable changes and a short-lived continuation of the status quo. The option of turning right—that is, toward a political group which seemed to owe its existence only to a coalition with the ruling party—was not considered at all.

Somewhere in the future, sociologists will explain this phenomenon to us. For the time being, we can only search among assumptions. Knowing the local mentality, we can almost claim with certainty that the ultimatum-like American stand that was meant to influence the outcome of the elections to the benefit of the opposition, as well as the names of war criminals read by Secretary of State Eagleburger, have won the Radicals a lot of support. Moreover, regarding foreign factors, the Radicals also benefited from the permanently hard stands of the United States and Western Europe and their exclusive insistence on the Serbian guilt for the Balkan Pandora's box, as well as from the fact that a gentleman's amnesty was granted to everybody else, mostly to the Croats and none the less to the Muslims. The Kosovo problem started warming up again and it was left to Turkey to boast about and threaten the Serbs. The Serbs in the Krajinas were treated exclusively as aggressors and not as an indigenous people who want to be a people on their own territory.

It seems as though the Radicals have won the votes that the Socialist Party of Serbia and Vuk Draskovic [Serbian Renewal Party leader] lost. A seething discontent with the Socialist Party of Serbia and the so-called Vuk's treason of national interests have made a certain section of voters seek a more reliable guarantor of national interests. Regarding the Socialist Party of Serbia, some people were not only discontented with it and in favor of democratic changes, but there were also some people who were of the opinion that after the deposition of Borisav Jovic [Serbian Presidency member], Milosevic and the Socialist Party of Serbia started to vacillate in their stand that all Serbs must live in one state. One can assume that, paradoxically, the election campaign of the Socialist Party of Serbia regarding "not bowing to anybody," which efficiently persuaded the voters and opened their eyes, yet at the same time failed to offer sufficiently firm guarantees for such a method of straightening the spine. The Radicals sounded more militant and the voters combined the Socialists' message with the one about the Serbian Radicals being "...wherever Serbian territory lies."

Finally, there is a stand that refuses to join present divisions and people who do not consider Panic a replacement for Milosevic and Milosevic a guarantor against Panic, people who want to radically stop the Serbian trauma and finally sort out the Balkans.

Until yesterday, the Radicals resembled a kind of mistletoe that owed its survival to a solid red oak. Today, in the wake of elections, they can muster the courage to begin an independent political activity, particularly because an increase in the number of supporters is yet to come. That classical sentence from sociological literature is coming true: When people go through a total downfall, its political direction is rightward.

Jovanovic Condemns Bush Treatment of Milosevic

LD3012224792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1940 GMT 30 Dec 92

[Text] Zajecar, 30 Dec (TANJUG)—Serbian Foreign Minister Vladislav Jovanovic stated in Zajecar this evening that the abolition of sanctions is only a matter of time. The sanctions can no longer be aimed at toppling the legitimate government. In a public discussion on the political situation Jovanovic said: "Russia, Greece, and Spain maintain that pressures on Serbia are counterproductive."

"The way in which George Bush treats Serbian President Milosevic oversteps the context of customary norms of international behavior," Jovanovic said, adding: "U.S. threats against Yugoslavia in connection with Kosovo encourage ethnic Albanians in their sucessionist and separatist intentions."

"Pressures on Yugoslavia are a product of an incorrect political assessment that relations in our country can be established according to recipes from abroad. The war in Bosnia-Hercegovina is also backed by force, but the entire world will soon realize that it is not useful to anyone."

"They pinpointed who to vote for, but we told them from our polling stations what we thought about all that," Vladislav Jovanovic said.

Oskar Kovac and Tomica Rajicevic also took part in the public discussion in Zajecar.

Finance Minister on Impact of Sanctions

93BA0397A Novi Sad DNEVNIK in Serbo-Croatian 13 Dec 92 p 7

[Interview with Serbian Finance Minister Slavko Culibrk, by Milan Culibrk; place and date not given: "The Everyday Battle Against the Blockade"]

[Text] Inflation in the Federal Republic of Yugoslavia [FRY] cannot be halted in the foreseeable future. We are unfortunately condemned to live with inflation over a lengthy period of time. It will become possible to reduce the rise of prices to a tolerable level only after removal of the international blockade, when economic activity revives, and when full employment is achieved, because as long as there are an immense number of unemployed, it will not be possible to stop inflation. I therefore believe it is unrealistic under the conditions of the sanctions for the Federal Government to announce a long-range program for economic stabilization and a drastic reduction of inflation. It would be incomparably better if it took steps in an attempt to ease the burden of the blockade on the population, which would also make the job of the republic government easier.

This is the view put forth by Slavko Culibrk, finance minister in the government of Serbia, in an interview with DNEVNIK.

Why There Is No Cash

[M. Culibrk] One of the basic characteristics of our everyday life is the utter chaos on the financial market. What in your opinion are the main reasons for this, and is there any remedy?

[S. Culibrk] "Chaos" is a word frequently used in speaking about the lack of cash in circulation, and it is the result of the overall economic situation and of economic flows. Toward the end of fuller supply of the market when international trade has almost entirely been eliminated because of our country's blockade, the functions of regular trade have largely been taken over by the black market, and the share of irregular trade in total trade has assumed disturbing dimensions. The instrument of payment used in irregular trade is exclusively or mainly cash. What is more, because of high inflation economic entities are not keeping money in their accounts, because every day they hold the money means a loss for them.

The other reason for the cash shortage is the mistrust of credit transfer instruments, and the principals in transactions frequently require that they be paid in cash up front before the goods are delivered. One other reason is the attempt of participants in irregular trade, primarily private firms, to avoid the payment of tax obligations in this way. So in contrast to the advanced countries, where the share of cash in the total money supply ranges between 10 and 12 percent, in our country it recently went as high as 50 percent. But in view of the extraordinary circumstances in which our economy is operating, that kind of comparison of the FRY with the advanced countries is not legitimate.

In order to eliminate the shortages and bring the use of cash into normal channels, the government of Serbia adopted a decree on cash payments and on determination of the maximum amount of cash to be kept on hand, which will largely prevent the use of cash for speculative purposes such as the buying of foreign exchange on the black market, the fictitious purchase of farm products, and speculation in various financial institutions. The decree took effect on 27 November, and it is still too early to speak about its specific effects, but the agency for settlement and financial oversight will see that it is consistently enforced.

Stabilization of the Black Market Exchange Rate

[M. Culibrk] By contrast with the banks, on the black foreign exchange market there is an abundance of dinars. Can this be stopped?

[S. Culibrk] Once money passes through various channels into the pocketbooks of individuals, then it is inevitable that it also be found on black foreign exchange markets. I expect that the government's decree will also have the effect of reducing the amount of dinars held by street dealers, because it prescribes the obligation of banks, post offices, and all other organizations to return daily surpluses of cash to the vaults of the SDK [Social Accounting Service]. In view of the stiff penalty, I expect that this will considerably alleviate the shortage of money, and the new 10,000-dinar bank note will also contribute to this, along with the change in the denomination structure away from the lower-value bank notes.

[M. Culibrk] Has not the incentive offered individuals in buying apartments also contributed to the unrestrained rise of the black market exchange rate, because in this case the German mark is worth 810 dinars instead of 465?

[S. Culibrk] Because the stimulative exchange rate is formed as a function of parity established on the market, we should actually expect the opposite effect, that is, a drop in the black market exchange rate. Some of the foreign exchange ought to be transferred to the banks for the purchase of apartments, and at the same time there will be a drop in the amount of dinars in illegal channels, so that in no case should the incentive exchange rate tend to increase the price of foreign currencies at currency exchanges on the street. At the same time, the public has several reasons for selling foreign exchange to the banks. In this case, they qualify for a lower price of the apartment, and they avoid the risk of exchanging their money for counterfeit bills, which are becoming more and more common in the transactions of street sellers. Serbia also has a great interest in all of this, because in this way it obtains foreign exchange for the most necessary needs, such as importing medicine.

It Is a Crime To Write a Bad Check

[M. Culibrk] Is it possible that in these unstable and uncertain times there could be a reaffirmation of credit transfer instruments, which would automatically solve the problem of the shortage of dinars as well?

[S. Culibrk] The emergence of a large number of economic entities on the market, in particular the 70,000 private firms, has to a great extent tended to generate distrust of credit transfers. Some of the private operators expected to get rich quick, and so there have even been cases of forgeries of the fifth copy of the transfer order used as the basis for taking over goods, when actually payment was not made. This practice became so widespread that even the settlement agency stopped certifying these orders in order to put a stop to these abuses. I feel that this problem will nevertheless be solved in a very short period of time, primarily through the market selection which only the able will survive. Of course, the financial police must also make their full contribution to eliminating all speculation so that only those entities operating in compliance with the law are left on the market. One of the conditions for restoring confidence in credit transfer instruments is to amend the law on the check, along with further modernization of the agency for settlement and financial oversight. In other words, stricter penalties will be applied to those who issue bad checks, because this ought not to be treated as a misdemeanor, but as a felony. The court should also make a contribution to putting a stop to these practices. As for the tax police, this is a new institution, and developing its capability is a process, but at the same time both the public and legal entities must realize that the tax obligation is a most urgent obligation which must be discharged.

[M. Culibrk] There have been quite a few disagreements concerning the purchase of farm products. They say in the NBJ [National Bank of Yugoslavia] that all the money from the primary note issue has been delivered, but the dinars still have not reached all the peasants. Is there evidence that that money got held up in the banks and agricultural combines?

[S. Culibrk] The main reason for the tardiness is that the NBJ did not release the funds from the primary note issue in good time, because purchasing began earlier because of the drought, and the funds were planned only for the fourth quarter. The financial police and the Serbian Finance Ministry were unable to examine in each individual case the delay of the money from primary note issue in the banks and agricultural combines.

[M. Culibrk] The question of financing the federal state has still not been settled in terms of the system, so that now everything for all practical purposes depends on the goodwill of the republics. What is your position on the Federal Government's proposals for financing the federation?

[S. Culibrk] The Federal Government has proposed a law on the financing of the FRY which includes among sources of revenues of the federal state revenues which do not belong to the federation under the Constitution. The Finance Ministry of the government of Serbia reacted to that proposal, demanding that the Constitution be respected and that revenues which in the present system belong to the republic not be encroached upon. The government of Serbia has demanded that when the needs of the federal state are examined, the needs of the republics also be weighed so that the country's social product will not be burdened excessively. That is why we have called for the needs of the federation and republics to be balanced every year before adoption of the federal and republic budget depending on the available social product, and then only after that would the direct revenues be established and distributed. Our proposal found support in the Federal Assembly.

Public Expenditure

[M. Culibrk] The Federal Government wants all forms of public expenditure to be reduced to 40 percent of the social product. What is the argument about when you are even more in favor of reducing public expenditure?

[S. Culibrk] One of the main reasons for balancing the needs of the federal state and the republics every year is that the jurisdictions and powers to perform certain functions have not been entirely clarified. It is natural that the federation, when it is assuming certain functions, should also be entitled to corresponding revenues to finance that. So there is no dispute over conceding revenues which at the moment belong to the republics if the respective functions are to be entirely performed at the federal level. Accordingly, under the Constitution the federal state has these stable sources of revenues: customs duties, import charges, federal administrative fees, a portion of the turnover tax, and certain other revenues. But because of the diminished economic activity, and above all the international blockade, those revenues are not sufficient, and funds have to be obtained from other sources in accordance with the functions which the federal state is taking upon itself.

[M. Culibrk] The blockade is tending to reduce economic activity, and this indirectly reduces budget revenues as well, and at the same time there is an increase in the number of those who need help from the government treasury. How is this controversial situation to be resolved?

[S. Culibrk] Under the conditions of the blockade, the government of Serbia has fought a daily battle to mitigate the consequences of the sanctions exclusively through its own measures and the statutes adopted by the republic Assembly. This has been particularly manifested in protection of the unemployed in firms where production has been cut back or has stopped altogether. Redistribution of the burden to all citizens of the republic to guarantee minimum subsistence to workers who have been left without jobs because of the blockade as well as a large number of refugees. But the big question is how long all of this can be supported if the

international community does not remove the sanctions? Agriculture and the fuel and power industries were the most important levers in supporting this burden, and if they had failed, we would not have succeeded. The Serbian government has set up a special fund to pay the lowest wages; in part, this money comes from budget revenues, and in part it comes from the foreign exchange potential. Up to now we have regularly met those obligations, but for the coming year funds will have to be provided from certain other sources as well.

[M. Culibrk] There have been objections in this connection that the Serbian government, taking advantage of primary note issue, only wants to keep the social peace, and that therefore there will be still more of it later on.

[S. Culibrk] Every government, including ours, wants to preserve social peace and the security of the public when it comes to the drastic measures of the international community. Up to now we have done this with a number of measures, but in no case have we been able to arrange for primary note issue from the National Bank of Yugoslavia in order to finance expenditure with that money. All the demands sent to the Federal Government for approval of funds from primary note issue were calculated to finance agriculture, production destined for export, and to revive metal-manufacturing enterprises. That primary note issue was covered by real production.

[M. Culibrk] There are those who hold the opposite opinion about the policy concerning the dinar's exchange rate. Who in your opinion should have that instrument in his hands—the Federal Government or the NBJ?

[S. Culibrk] I think that an artificial polarization has been created concerning this issue, because the dinar fund is a function not only of monetary policy, but also of development policy and overall economic policy.

In view of our economy's level of development, I feel that the exchange rate policy cannot be entrusted to just one institution. Thus in the conduct of economic policy the government should respect and honor the opinion of the Central Bank on this question. I consider what was done with the last devaluation, without consultation of the NBJ, a big mistake, since because of the severed economic ties with foreign countries we have had to count on only the adverse effects of adjustment of the exchange rate.

[Box, p 7]

Enormous Interest Rates—The Fruit of Speculation

[M. Culibrk] What is your comment as the finance minister on monthly interest rates of 14 percent on foreign exchange savings and 100 percent on dinar savings being paid by some banks?

[S. Culibrk] The decline of economic activity has resulted in a movement of capital out of production and trade into the financial sphere. That migration has also been favored by the interest rate policy now being conducted in Yugoslavia. It must also be said that this capital is being used to finance irregular trade and for speculative purposes, because only loaned out in that way can it guarantee such enormous interest rates. After all, in the world at large interest rates follow the level of average profit rates in production. In our country, restoration of order in the level of interest rates depends in large part on revival of economic activity and restoration of order in the financial sphere. The NBJ should also make an important contribution to this through monetary policy and interest rate policy.

[Box, p 7]

Topcider in the Hands of the NBJ

[M. Culibrk] How do you comment on rumors to the effect that something similar to the dispute over the building of the federal MUP [Ministry of Internal Affairs] could occur over the money printing plant in Topcider?

[S. Culibrk] The printing plant where bank notes are printed lies in the exclusive jurisdiction of the National Bank of Yugoslavia as the sole monetary institution. The NBJ also holds the power to create the total money supply and its structure—[Serbian Finance] Minister Slavko Culibrk was categorical. There is no interpretation in which the Republic of Serbia has the capability or need to engage in the printing of money, especially because all expenditures of the republic are covered by real revenues collected in accordance with statutes. Accordingly, the rumors are inaccurate to the effect that Serbia is laying claim to the money printing plant on the basis of its own need or that it is using primary note issue independently of the Central Bank.

Montenegro

DPS Demands Montenegrin Federal Premier

LD3012183292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1429 GMT 30 Dec 92

[Excerpt] Podgorica, 30 Dec (TANJUG)—The Democratic Party of Socialists of Montenegro (DPS) will insist constitutional provisions are observed; hence, the next federal prime minister must be from this republic, DPS Secretary General Svetozar Marovic said today. Marovic said at a news conference in Podgorica that the strongest political party in Montenegro, i.e, DPS, should nominate the candidate for federal prime minister.

Commenting on the vote of no confidence in Prime Minister Panic and the way Montenegrin deputies voted, Marovic said that the ruling party [in Montenegro] had never pledged loyalty to one person, and that it was left up to the [Montenegrin] deputies in the Federal Assembly to vote in accordance with their personal convictions. [passage omitted]

Montenegro Interior Minister Interviewed

93BA0353A Podgorica POBJEDA in Serbo-Croatian 22 Nov 92 pp 4-5

[Interview with Montenegrin Internal Affairs Minister Nikola Pejakovic by Radomir Tomic and Milos Pavicevic; place and date not given: "Peace Is the Greatest Asset"]

[Text] [Tomic] In bad times, internal affairs officials become more important. In Pljevlje, in the opinions of many people, you acted effectively....

[Pejakovic] The Pljevlje events are well-known to the Montenegrin public. It is really valuable to me that from this distance in time we can note that peace was preserved in that area, with a significant contribution having been made by the Internal Affairs Service. Unfortunately, bad times, as we call them, also entail the risk of war, but if everyone wants it peace can be preserved, which was also shown in the case of Pljevlje, in which promotional meetings are being held these days in a democratic and tolerant atmosphere.

[Tomic] You have an opportunity to calm political passions. For example, the latent conflict among opposing political and national options in the Republic is increasingly disturbing. Arbitrarily speaking, to what extent can the police's arbitration be interpreted as politicization of the police themselves?

[Pejakovic] Members of the MUP [Ministry of Internal Affairs] are concerned about the security and safety of all citizens in the Republic. It is true that the opposing political and also national options in the Republic, especially through the promotion of political programs, can lead to a threat to the overall security situation. That means that the members of the Service, as part of their legal obligations and authority, make general and special security assessments and act professionally to maintain public order and peace. The fact that members and sympathizers of individual political parties are even going heavily armed to promotional meetings means that a conflict between opposing options is possible. This makes the obligation of MUP members to disarm and take weapons away from everyone even greater, since weapons are probably the weakest argument for promoting political programs. It is my belief that after the latest activities by MUP members along those lines reason will prevail among everyone, and in addition to the Service's activities, a contribution will also be made to this by the terrible pictures of the war from our immediate vicinity, a war that no one wants on our territory.

[Tomic] In view of the overall situation, is there any reason for any party in Montenegro to be banned?

[Pejakovic] The reasons for banning the operation of individual political parties are categorically specified by law, and for the time being it is not necessary to consider them. If the activity of a certain party, however, heads in the direction of threatening overall peace in the republic, that argument should be seriously considered.

[Tomic] The classic form of the militarization of individual parties is obvious. In the operations to disarm civilians, can the MUP count on their support?

[Pejakovic] The MUP is a classic state body, one of the long arms of the state, and by the nature of its work part of the activities in confiscating illegally possessed firearms belongs to it. It is an undeniable fact that in the last year people have acquired many weapons, and that the Service will be intensively engaged in confiscating the weapons, but that process will continue. That is the truth. I hope that citizens will also make their own contribution in the process of their own disarmament, either through legalization activities, or through the act of returning weapons that cannot be legalized. For these activities, it is necessary that they believe that the Service is competent and can be concerned with everyone's safety. Their biggest contribution and help to the Service should be a mutual, humane, tolerant, and rational attitude, regardless of national, religious, political, and every other form of identity.

[Tomic] Recently, when you addressed the public, you said that the MUP had indications that there could be a deterioration in the security situation...?

[Pejakovic] The current security situation, viewed in terms of the promotional meetings held by several political parties, supports that claim, as a result of which I considered it necessary to point out the danger and possible consequences to the leaders of those parties. I believe that that is how they also understood my address, and that they will spread a spirit of tolerance and reason to all their members and sympathizers, and that they will promote their programs fully in a democratic tone.

[Tomic] Montenegro is in an "unhappy" environment—on one hand, the war in Bosnia-Hercegovina, and on the other, the border with Croatia. There are potential flashpoints in Kosovo and Sandzak....

[Pejakovic] You have just pointed out one of the general elements involved in forming the overall security situation in the Republic of Montenegro in the past year. It is important to note that in addition to this element, the security situation also consists of a very intensive psychological-propaganda war, the economic blockade, 70,000 refugees on the Republic's territory, a drastic decline in the standard of living, etc. These are only a few of the more significant and completely new destructive elements. Theoretically, a security situation that contains these elements cannot be considered positive, and it raises the question of whether peace is possible in an area where these elements are present. The answer is yes, with our republic being the best example. We have basic peace in this unhappy environment, and I am certain that we have more than enough motives to preserve it.

[Tomic] Is war in Montenegro possible? Are there any indications that there could be serious unrest in our republic?

[Pejakovic] In principle, war is always possible everywhere, but especially in the conditions and circumstances of the current global world environment, i.e., with respect to our republic neither more nor less than for other states. I think that in your question you were seeking an answer about the possible chance of a civil war. I am certain that we will preserve peace if all citizens want it, because in these times there is no greater asset than peace. That is our obligation both to our children and their future.

[Tomic] You are promising the citizens of Montenegro peace and the protection of their basic civil freedoms. Is the MUP also capable of guaranteeing that protection for its employees? We had occasion to read a few days ago that the car of the Niksic Security Center chief was wrecked....

[Pejakovic] The fact is that all forms of criminal behavior are on the rise, which means that the Service has to recognize clearly the priorities in its work, and that it is an illusion to think that it is possible to get a grip on all negative activities. Naturally, the priority of priorities is to preserve civil peace. Action by authorized members of the MUP to prevent serious crimes entails a risk in much happier times than these, and today more than ever. That risk has to be borne. The realization, however, that there are also cases of attacks against authorized MUP members, and that the former criminal-law protection is not suitable for the present time, has encouraged the Montenegrin government to propose to the Assembly, in urgent proceedings, necessary amendments to the Criminal Code along the lines of much greater protection for MUP members. That proposal for nonessential [as published], but, I repeat, necessary amendments, will go before the Assembly, which is scheduled to meet on 30 November 1992, and I hope that it will be approved.

[Tomic] How much has the dispute between the Federal Secretariat for Internal Affairs [SSUP] and the Serbian MUP affected the functioning of the Montenegrin MUP? Are you directly feeling the consequences of the dispute in Belgrade? As Montenegrin minister of internal affairs, how do you view that disagreement?

[Pejakovic] It is well-known to everyone that the security system on the territory of the former Yugoslavia was unified, and that with its collapse, that system was also dismantled. I feel that there is an undeniable desire on the part of all citizens that we now preserve the federal state that we have established. The security system, i.e., the security system unified at the level of the federal state, and within which the systems of the Montenegrin and Serbian republics function, is an important element in preserving it.

The "disagreement," as you call it, between the SSUP and the Serbian MUP has been covered in all the world media, probably because until then the world was not familiar with that kind of action. Without going into an elaboration on the real reasons for that conflict, which have already been talked about a lot, I want to emphasize that the action by members of the Serbian MUP against SSUP was inappropriate, incorrect, and thus also unnecessary, even if it was an "ordinary" property dispute, which I objectively doubt. There have not been any direct consequences of this dispute in Belgrade with respect to the functioning of the Montenegrin MUP, but I think that the functioning and cooperation of the two republic services have to go through the federal SUP. Naturally, the model of the federal service has to be agreed upon, something concerning which the first initial steps have already been taken, and preliminary talks have been held with the federal minister of internal affairs, and I believe that they will be successfully continued.

[Tomic] What are relations like between the Montenegrin MUP, and the Serbian MUP and the Federal MUP?

[Pejakovic] In principle, communications with colleagues from the Serbian MUP, according to our assessment, have to take place through the federal ministry. I think that this is indisputable for everyone, but correct activities are only factual issues, and we can agree on them.

[Tomic] In these times and this kind of environment, a new type of crime arises: terrorism....

[Pejakovic] You have just cited the most important new form of criminal behavior, which we call modern terrorism. According to our assessment, it is a product of the destructive security elements that we have already discussed, and it should be opposed in a timely and active manner. In principle, it requires the specialization of individual types of work, something for which we do not have time now; we are already opposing it, and in that process we are acquiring new knowledge and expertise. At least for now that form, which we have not had spectacular results in opposing, is occurring in a relative mild form in comparison with the modern world, where it has already been in existence for a long time. Here facilities are being attacked, and not people, and it is important to note that. The Service should be trained in accordance with world standards to oppose modern terrorism, because it is a form of criminal behavior with which the modern world is living, and we will not be any exception to this either.

[Tomic] You mentioned spreading false information. You are quite willing to communicate with journalists, but it would be interesting to hear from you how many journalists, in your opinion, are participating in the creation of an atmosphere of tension and a permanent impression that we are living in a state of war.

[Pejakovic] In principle, every well-handled, significant job is not, unless it is presented correctly in the media. Naturally, that is also the case with the presentation of

events and occurrences that affect citizens' security, in which the role of the news media is extremely significant.

I think that there are also points in common between the elements of professionalism for the SUP and for journalists. In my opinion, both have to be only professionals. In that way they will make their biggest contribution to recognizing and preserving the truth. I personally think that it is much better to see and hear the minister of science or culture in the newspapers than the minister of internal affairs, but I believe in that kind of times, more precisely, in times when the subject of security will be uninteresting, and when it will not arouse any particular media attention.

[Tomic] Are there so-called "rackets" in Montenegro, i.e., protection of the owners of individual private shops by people who take a certain percentage of the earnings in return for that?

[Pejakovic] Also one of the significant new forms of criminal behavior that is "modern" in the West is crimes of extortion or blackmail. These crimes have been relevant here for several years now, and in principle they are very difficult to prove. This is because the injured parties do not like to report the blackmail to the MUP, fearing the consequences for their safety. It is necessary for them to do this in time, because the Service will provide security for them, and their contribution in revealing these crimes is valuable.

[Tomic] There have been a lot of adverse comments in public about the replacement of Maksim Korac, an assistant minister in the MUP. What is really happening?

[Pejakovic] The performance of a given important function is temporary in nature, especially in such turbulent and difficult times. Here we are doing a certain part of the job that has been entrusted to us, and then we go on to new tasks. It is in that context that one should view the replacement of the assistant minister of internal affairs.

[Tomic] How is the agreement between the Montenegrin MUP and the Croatian MUP with respect to Prevlaka functioning?

[Pejakovic] The preliminary talks that we conducted with the Croatian MUP yielded certain results. The demilitarized zone is controlled by members of the Croatian MUP and the Montenegrin MUP. From this distance in time, that job is going relatively well, because there have not been any incidents and the border is well-guarded. With that measure we promised security to the citizens of Herceg-Novi, and I think that for now we have kept that promise.

[Tomic] Are you in communication with the Croatian minister of internal affairs?

[Pejakovic] At the first meeting, we agreed in principle that we would continue communications at the level of the two services, for the purpose of its operational implementation. We have thus formed working groups at the level of the security centers in Herceg-Novi and Dubrovnik, and those communications are very specific, and, for now, positive.

Kosovo

Rugova Denies Planning of 'Terroristic Acts'

AU3012171492 Tirana ATA in English 1126 GMT 29 Dec 92

[Text] Tirana, December 29 (ATA)—Reports from Pristina inform that the president of the Republic of Kosovo, Dr. Ibrahim Rugova, refuting the charges of the Serb propaganda claiming that the Government of Kosovo and Albanian political parties have given up the peaceful solutions and are preparing an atmosphere of conflict, declared that recently Serb mass media reported that Albanian youngsters organized by the Albanian political parties and the Government of Kosovo and supported by some states, are allegedly preparing to carry out diversion and terroristic acts in Kosovo.

On the contrary, said Dr. Rugova, the Albanians are trying to settle the Kosovo issue by means of peaceful and democratic forms. This policy is also supported by the broad international public opinion, said Rugova.